

EXECUTIVE SUMMARY OF FINAL BUDGET OF

UGU DISTRICT MUNICIPALITY

2024/25 TO 2025/26
MEDIUM TERM REVENUE AND EXPENDITURE
FORECASTS

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Abbreviations and Acronyms

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

Part 1 – Annual Budget

1.1 MAYOR'S REPORT

Refer to attached Mayor's Speech

1.2 COUNCIL RESOLUTIONS

Refer to attached Council Resolution

1.3 EXECUTIVE SUMMARY

MFMA CIRCULARS APPLICABLE TO THE COMPILATION OF THE BUDGET 2024/25 MTREF:

Municipal Budget Circular 128 for the 2024/25 MTREF 08 March 2024:

This budget circular is a follow-up to the one issued in December 2023. The budget circular guides municipalities with their preparation of the **2024/25** Medium Term Revenue and Expenditure Framework (MTREF) and, as with previous annual budget circulars, it should be read within this context. This Circular is linked to the Municipal Budget and Reporting Regulations (MBRR) and the municipal Standard Chart of Accounts (mSCOA); and strives to support municipalities' budget preparation processes so that the minimum requirements are achieved. The key focus of this Circular is the grant allocations per the **2024/25** Budget Review and the **2024/25** Division of Revenue Bill.

MUNICIPAL BUDGET CIRCULAR 82 FOR THE COST CONTAINMENT MEASURES 30 MARCH 2016:

The national government has been aware of the need to contain costs and Cabinet resolved that all spheres of government, including municipalities and municipal entities must implement measures to contain operational costs and eliminate all non-essential expenditure. In the 2016 State of the Nation Address, cost containment measures were re-emphasised. It was highlighted that excessive and wasteful expenditure must be reduced, and that increased action be taken to manage unnecessary expenditure. The following measures were among those announced:

- Curtailment of overseas trips;
- The submission of strong motivation to MM's, Mayors and, where necessary, oversight mechanisms at local, provincial and national spheres of Government by those requesting permission to travel either locally or abroad: i.e. their detailed report including research which argues the necessity of the trip and the benefit the country will achieve in undertaking the journey;
- The institutionalization of further restrictions on conferences, catering, entertainment, and social functions.

CHALLENGES EXPERIENCED DURING THE COMPILATION OF THE BUDGET 2024/25 MTREF:

The main challenges experienced during the compilation of the Budget **2024/25** MTREF can be summarized as follows:

- The ongoing difficulties in the national and local economy **exacerbated load shedding**.
- Aging and poorly maintained water and sanitation infrastructure.
- The need to reprioritize projects and expenditure within the existing resource envelope given the cash flow realities and the dire cash position of the municipality;
- The increased cost of producing water (due to tariff increases from Umgeni and Eskom as well as other direct costs), which is placing upward pressure on service tariffs to residents. That being a reality the municipality's stance is that continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable.
- Wage increases for municipal staff that continue to be effected, as well as the need to fill critical vacancies.

BUDGET PRINCIPLES AND GUIDELINES DIRECTLY INFORMED THE COMPILATION OF THE BUDGET 2024/25 MTREF

The following budget principles and guidelines directly informed the compilation of the 2024/25 Final Budget:

- The 2024/25 Budget priorities and targets, as well as the base line allocations contained in that Final Budget were adopted as the upper limits for the new baselines for the 2024/25 Final budget.
- The 2024 Division of Revenue Bill issued in February 2024.
- The Provincial Treasury hereby publishes transfers to municipalities in terms of Section 29(2) of the Division of Revenue Act, 2024. There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazette as required by the annual Division of Revenue Act.
- Section 18(1) of the MFMA states that an annual budget may only be funded from:
 - Realistically anticipated revenues to be collected.
 - Cash-backed accumulated funds from previous years' surpluses not Committed for other purposes; and
 - Borrowed funds, but only for the capital budget referred to in section 17(2).
- A credible budget is a budget that:
 - Funds only activities consistent with the revised IDP and vice versa ensuring the IDP is realistically achievable given the financial constraints of the municipality.
 - Is achievable in terms of agreed service delivery and performance targets.
 - Contains revenue and expenditure projections that are consistent with current and past performance and supported by documented evidence of future assumptions.
 - Does not jeopardize the financial viability of the municipality (ensures that the financial position is maintained within generally accepted prudential limits and that obligations can be met in the short, medium and long term); and
 - Provides managers with appropriate levels of delegation sufficient to meet their financial management responsibilities.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2024/25 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2024/25 MTREF

Choose name from list - Table A1 Budget										
Description	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Financial Performance										
Total Revenue	1 082 268 345	1 042 125 829	1 195 461 301	1 287 876 183	1 391 955 833	1 391 955 833	875 097 628	1 367 248 747	1 424 329 476	1 498 059 436
Total Expendit	1 256 090 976	1 295 139 593	1 456 106 916	1 109 756 833	820 914 736	820 914 736	1 005 621 497	859 257 442	876 001 405	894 454 588
Surplus/(Defic	- 173 822 631	- 253 013 764	- 260 645 615	178 119 350	571 041 097	571 041 097	- 130 523 869	507 991 305	548 328 071	603 604 848
Transfers and	241 681 834	348 809 126	508 511 700	454 994 250	360 477 047	360 477 047	280 782 883	270 733 150	283 186 875	295 930 284
Surplus/(Defic	67 859 203	95 795 362	247 866 085	633 113 600	931 518 144	931 518 144	150 259 014	778 724 455	831 514 946	899 535 132

Total operating revenue has decreased by 1.77% per cent for the 2024/25 financial year when compared to the 2023/24 Adjustments Budget. For the two outer years, operational revenue will increase by an average of 10 per cent in totality, equating to a total revenue growth of R130.8 million over the MTREF when compared to the 2024/25 financial year.

Total operating expenditure for the 2024/25 financial year has been appropriated at R859 million and translates into a budgeted surplus of R507 million. When compared to the 2023/24 Adjustments Budget, operational expenditure has increased by 4.9 per cent in the 2024/25 budget and by 2 per cent for each of the respective outer years of the MTREF. The operating surplus for the two outer years steadily increases to R548 million and then stabilize at R603 million.

The capital budget of R270 million solely from grants for 2024/25 is 25 per cent less when compared to the 2023/24 Adjustment Budget. The capital programme increases to R283 million in the 2024/25 financial year and then increases in 2025/26 to R295 million.

1.4 Operating Revenue Framework

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

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

- National Treasury's guidelines and macroeconomic policy.
- Growth in the District and continued economic development.
- Efficient revenue management, which aims to ensure a 95% and above annual collection rate for water and sanitation service charges.
- Achievement of full cost recovery of specific user charges especially in relation to trading services.
- Determining the tariff escalation rate by establishing/calculating the revenue requirement per service.
- Increase ability to extend new services and recover costs.
- The municipality's Indigent Policy and rendering of free basic services.
- The revenue and
- Tariff policies of the district.

The following table is a summary of the 2024/25 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source.

Choose name from list - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand	1										
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	344 026	337 897	390 940	361 232	382 906	382 906	257 647	440 342	419 912	440 043
Service charges - Waste Water Management	2	108 875	107 049	111 917	112 683	123 951	123 951	81 269	142 544	136 136	142 806
Service charges - Waste Management	2	-	-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services		1 117	1 222	2 218	-	2 843	2 843	2 927	2 983	3 120	3 260
Agency services		-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		42 719	49 824	56 741	37 768	66 903	66 903	45 940	76 939	80 478	84 099
Interest earned from Current and Non Current Assets		8 268	7 470	10 841	11 605	12 424	12 424	8 320	13 033	13 633	14 246
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		2 163	2 241	2 286	2 264	1 737	1 737	877	1 822	1 905	1 991
Licence and permits		-	-	-	-	-	-	-	-	-	-
Operational Revenue		829	703	15 805	8 453	2 364	2 364	1 335	2 480	2 594	2 711
Non-Exchange Revenue											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-
Licences or permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		571 487	533 163	599 370	753 871	798 827	798 827	476 782	687 107	766 552	808 903
Interest		-	-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		148	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		1 298	2 519	3 744	-	-	-	-	-	-	-
Other Gains		1 339	38	1 600	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and cont		1 082 268	1 042 126	1 195 461	1 287 876	1 391 956	1 391 956	875 098	1 367 249	1 424 329	1 498 059

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

Revenue generated from water and sanitation services charges forms a significant percentage of the revenue basket for the Ugu District Municipality.

In the 2022/23 financial year, revenue from water and sanitation service charges totaled R571 million. This increased to R658 million in the 2024/25 financial year, then increases to R635 million and R666 million in the respective financial years of the MTREF. A notable trend is the increase in the total revenue generated from water and sanitation service charges.

As part of operating revenue, the municipality will receive Equitable share to the value of R667 million this is utilised for the operations of the municipality. There was also an allocation of R1.9 million for FMG; R2.8 million for EPWP which is aimed at capacity building with the municipality as well as R2.9 million grant for Rural Road Asset Management Systems.

The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 3 Operating Transfers and Grant Receipts

Choose name from list - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
RECEIPTS:	1, 2									
<u>Operating Transfers and Grants</u>										
National Government:		569 801	540 697	605 090	750 052	800 274	800 274	740 984	789 320	832 541
EPWP Incentive	–	4 468	3 611	3 319	–	3 606	3 606	2 864	–	–
Finance Management	–	1 800	1 750	1 950	1 950	1 950	1 950	1 900	2 000	2 200
Local Government Equitable Share	–	557 282	524 364	585 146	693 571	630 083	630 083	667 211	704 998	744 121
Municipal Disaster Recovery Grant	–	–	2 000	2 000	44 619	44 619	44 619	–	–	–
Municipal Drought Relief	–	745	745	745	–	–	–	–	–	–
Municipal Infrastructure Grant	–	–	–	–	7 053	70 541	70 541	66 021	79 200	82 955
Rural Road Asset Management Systems Grant	–	5 506	8 227	11 930	2 859	2 859	2 859	2 988	3 122	3 265
Water Services Operating Subsidy	–	–	–	–	–	46 616	46 616	–	–	–
Provincial Government:		15 385	41 085	43 685	–	–	–	–	–	–
KwaZulu-Natal_Capacity Building and Other_Capac	–	15 385	15 385	15 385	–	–	–	–	–	–
KwaZulu-Natal_Infrastructure_Infrastructure_RECEI	–	–	25 700	28 300	–	–	–	–	–	–
Water Services Operating Subsidy										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Operating Transfers and Grants	5	585 186	581 782	648 775	750 052	800 274	800 274	740 984	789 320	832 541

1.4.1. RATIONAL FOR THE SETTING OF TARIFFS:

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the District.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases more than the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

During the 2022-23 and 2023-24 financial years these have significantly increased. The cost of producing water suddenly outweighs the tariff charged to customers for the water sold. This is a classic case of a tariff that is not cost reflective. Management is therefore tasked to ensure that a process of analysing the tariff increase and propose an exact percentage increase that will help achieve a cost-reflective tariff.

The total cost of producing water translates to R331 million which yields about 24 862 923 kℓ of water net of water losses (NB: water losses are funded by Equitable Share). This translates to **R13.35** per kℓ of water. This then means the total cost of supplying water to customers is **R22.72** per kℓ of water (**R9.37 + R13.35**) excluding VAT. The tariff charged for water is **R19.80** per kℓ of water excluding VAT, this is significantly lower than the cost and translates to a loss of 12.85%.

The loss as seen above led to a computation that looks at various percentage increases and the impact that these have in ensuring that the costs of producing water are recoverable rendering the tariff cost-reflective:

PROPOSED % TARIFF INCREASE:	0.00%	6.00%	8.00%	10.00%	12.00%	14.00%	14.50%	15.00%
CURRENT TARIFF	R19.80	R20.99	R21.38	R21.78	R22.18	R22.57	R22.67	R22.77
TOTAL COST OF PRODUCING WATER	R22.72	R22.72	R22.72	R22.72	R22.72	R22.72	R22.72	R22.72
NET COST RECOVERY (R)	-R2.92	-R1.73	-R1.34	-R0.94	-R0.54	-R0.15	-R0.05	R0.05
NET COST RECOVER (%)	-12.85%	-7.62%	-5.88%	-4.14%	-2.39%	-0.65%	-0.22%	0.22%

It is evident that the tariff starts being cost reflective at a proposed rate of **15 per cent**. All other increases below this point are rendering the tariff non-compliant with legislation. A tariff increases of 15 per cent from the 1st of July 2024 for water is therefore proposed.

Our technical assumptions regarding the consumption of water by an average customer is around 30 kℓ per 30-day period. This is the base consumption that has been used to assess the impact of the proposed increase for households (residential) and non-residential.

The following table shows the impact of the proposed increases in water tariffs on the water charges for a single dwelling-house:

1. RESIDENTIAL - PROPERTIES ZONED AS SPECIAL AND GENERAL RESIDENTIAL			
Consumption range	Current tariff (R)	Proposed Tariff (15%)	Difference (Increase)
Tariff per kl	R19.80	R22.77	
0-30 kl	R594.00	R683.10	R89.10
0-39 kl	R772.20	R888.03	R115.83
40-51 kl	R1 151.04	R1 323.75	R172.71
>52 kl	R1 471.08	R1 691.76	R220.68
2. RESIDENTIAL - MULTI-UNIT RESIDENTIAL - ESTATES AND OTHER BULK USERS			
Consumption range	Current tariff (R)	Proposed Tariff (15%)	Difference (Increase)
Tariff per kl	R19.80	R22.77	
0-30 kl	R594.00	R683.10	R89.10
>30KL	R1 485.25	R1 708.04	R222.79
3. NON-RESIDENTIAL - COMMERCIAL, INDUSTRIAL, OR OTHER			
Consumption range	Current tariff (R)	Proposed Tariff (15%)	Difference (Increase)
Tariff per kl	R20.86	R23.99	
0-30 kl	R625.80	R719.67	R93.87
>30KL	R1 614.55	R1 856.73	R242.18

The tariff structure of the 2024-25 financial year has not been changed. The tariff structure is designed to charge higher levels of consumption a higher rate, steadily. It can be noted that an average single household stands to pay an additional **R89.10** for a 30-day period. Regarding non-residential customers an additional R93.87 per month is expected to be paid for average water consumption.

To ensure that reasonableness is applied, management conducted a benchmarking exercise with all the water boards in Kwa-Zulu Natal (KZN). The below table depicts the results:

Municipality Name	Tariff per kl
uMgungundlovu District Municipality	R76.54
eThekweni Metro	R39.20
uMsunduzi District Municipality	R35.02
King Cetshwayo	R29.77
City of uMhlathuze	R27.44
iLembe District Municipality	R25.60
uMkhanyakude District Municipality	R20.78
uThukela District Municipality	R16.35
Harry Gwala District Municipality	R16.00
Zululand District Municipality	R15.45
uMzinyathi District Municipality	R14.30
Average tariff for all water boards in KZN	R28.77
Proposed Ugu District Municipality Tariff	R22.72
Ugu District Municipality is still below the average by:	-R6.05

It can be assessed from the table above that the tariff that water boards charge in KZN is R28.77 per kl which is still higher than the new proposed tariff for Ugu District Municipality of 22.72 per kl. This in essence means, although the proposed increase is above CPI it can be observed to be reasonable.

1.5 Operating Expenditure Framework

The district's expenditure framework for the 2024/25 final budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan.
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit.
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA.
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan.
- The repairs and maintenance are aligned to a maintenance plan.
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of no project plans no budget. If there is no business plan no funding allocation can be made.
- The principles of cost containment as per the Municipal Budget Circular 82 For the Cost Containment Measures 30 March 2016

The following table is a high-level summary of the 2024/25 budget and MTREF (classified per main type of operating expenditure):

Table 4 Summary of operating expenditure by standard classification item

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand	1										
Expenditure											
Employee related costs	2	405 001	413 723	516 142	409 846	280 464	280 464	401 838	293 957	307 479	321 316
Remuneration of councillors		9 719	9 809	11 795	11 409	13 693	13 693	8 930	14 364	15 025	15 701
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	8	166 135	155 058	143 548	128 408	56 498	56 498	102 568	64 687	67 663	70 708
Debt impairment	3	-	-	-	74 453	27 226	27 226	49 630	28 560	29 874	31 218
Depreciation and amortisation		229 592	226 978	226 480	220 000	220 000	220 000	146 851	230 780	218 614	207 485
Interest		17 693	22 771	7 380	7 222	4 620	4 620	11 732	4 846	5 069	5 297
Contracted services		216 136	249 766	317 139	138 693	124 069	124 069	128 510	122 854	128 505	134 288
Transfers and subsidies		11 736	2 786	21 650	8 000	-	-	-	-	-	-
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-
Operational costs		192 157	243 454	204 328	111 726	94 344	94 344	155 588	99 208	103 772	108 441
Losses on disposal of Assets		7 916	(29 214)	7 652	-	-	-	-	-	-	-
Other Losses		5	9	(8)	-	-	-	(26)	-	-	-
Total Expenditure		1 256 091	1 295 140	1 456 107	1 109 757	820 915	820 915	1 005 621	859 257	876 001	894 455

The budgeted allocation for employee related costs for the 2024/25 financial year totals R293 million, which equals 35 per cent of the total operating expenditure. The salary increases have been factored into this budget at a percentage increase of 4.9 per cent for the 2023/24 financial year. A similar annual increase of 4.9 per cent has been included in the two outer years of the MTREF. The existing salary agreement expires on 30 June 2024 and the new salary negotiation have not been finalised. Salaries have increased from the adjusted budget figure of R280 million to R293 million. It must be noted that the adjustment budget figure had considered the resolution by council to halt the filling of position and reducing the salaries budget by the figure set aside for vacant positions. A resolution taken by council to cap overtime at the legislated 40 hours was considered in the calculation of the salaries budget for 2024/25 financial year.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The gazette on the Public Office Bearers Act was not available at the stage preparing this Final budget. The budget for the councilor's allowance includes other costs like the travelling claims (km), which are not gazetted on the Remuneration of Public Office Bearers Act.

The provision of debt impairment was determined based on the Debt Write-off Policy of the District. For the 2024/25 financial year this amount equates to R28 million and increases to R29 million by 2025/26. While this

expenditure is a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R230 million for the 2024/25 financial and equates to 27 per cent of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. In the previous years the district had been conservative in budgeting for depreciation and thus providing for unrealistic figures.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 1 per cent (R4 million) of operating expenditure excluding annual redemption for 2024/25 and increases to R5 million by 2025/26. This is due to historic loans and the district has no plans to take up any new loans in the upcoming years.

Bulk purchases are directly informed by the purchase of water from uMgeni-uThukela Water, in the 2024/25 has been factored under Inventory Consumed because of changes in the mSCOA requirements which seek to achieve compliance with GRAP. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions.

Other materials, also under Inventory Consumed, comprise of amongst others the purchase of fuel, diesel, materials for maintenance, cleaning materials and chemicals. In line with the district's repairs and maintenance plan this group of expenditure has been prioritised to ensure sustainability of the district's infrastructure.

Contracted services have been identified as a cost saving area for the district. As part of the compilation of the 2024/25 MTREF this group of expenditure was critically evaluated, and operational efficiencies were enforced. In the 2024/25 financial year, this group of expenditure totals R122 million which has considered an array of repairs and maintenance expenditure for the district's infrastructure. For the two outer years increases to R134 million in 2025/26 financial year

Operating expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. This has been increased by 4.9 per cent for 2024/25 and curbed at 4 per cent increase for the two outer years.

1.5.1 Priority given to repairs and maintenance.

Aligned to the priority being given to preserving and maintaining the district's current infrastructure, the 2024/25 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the District. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

Table 5 Operational repairs and maintenance

Description	Final Budget Year 2024/25	Final Budget Year +1 2025/26	Final Budget Year +2 2026/27
Repairs and Maintenance Expenditure			
Contracted Services	R22 420 480.00	R26 443 553.00	R25 226 375.00
Employee Related Costs	R104 067 558.62	R109 166 869.00	R114 516 045.58
Inventory Consumed	R11 633 337.00	R12 331 337.00	R13 029 337.00
Capital Grants on repairs and maintenance	R282 877 000.00	R292 181 000.00	R319 496 000.00

Total Repairs and Maintenance Expenditure	R420 998 375.62	R440 122 759.00	R472 267 757.58
R&M as a % of PPE & Investment Property	12%	12%	13%
R&M as % Operating Expenditure	49%	49%	50%

The municipality is unable to provide adequate funds for Repairs and Maintenance in the budget due to its negative cash flow position. The municipality has adopted a Financial Recovery plan to address the negative cash flow position and prioritize the implementation of existing asset maintenance plan.

During the compilation of the 2024/25 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the district's infrastructure and historic deferred maintenance. To this end, repairs and maintenance amounted to R420 million in 2024/25 financial year, from R116 million in the 2023/24 financial year. The above costs include employee related costs to the value of R104 million attributed to employees directly linked to repairs and maintenance conducted in-house. This translates to 12 per cent of Property, Plant and Equipment carrying amount. This is 4 per cent above the norm.

1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the District's Indigent Policy. The target is to register 5 000 or more indigent households during the 2024/25 financial year, a process reviewed annually. The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

An additional amount of **R90 million** from the Equitable Share will be spent to ensure that we continue to provide our people with free basic water via the communal standpipes. In respect of water provision, an allocation of **R21 million** 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.

1.6 Capital expenditure.

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

Table 6 2022/23 Medium-term capital budget per vote

Vote Description R thousand	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Capital Expenditure - Functional											
Governance and administration		(160 982)	(45 338)	46 630	-	15 958	15 958	6 024 386	-	-	-
Executive and council		-	-	-	-	-	-	-	-	-	-
Finance and administration		(160 982)	(45 338)	46 630	-	15 958	15 958	6 024 386	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		892	-	(5 904)	-	-	-	(4 788)	-	-	-
Planning and development		892	-	(5 904)	-	-	-	(4 788)	-	-	-
Road transport		-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		(426 406)	262 628	353 730	454 992	371 664	371 664	2 633 545	270 733	283 187	295 930
Energy sources		-	-	-	-	-	-	-	-	-	-
Water management		(38 318)	152 350	281 655	335 995	236 901	236 901	936 354	178 966	187 198	195 622
Waste water management		(388 088)	110 278	72 075	118 998	134 762	134 762	1 697 191	91 767	95 989	100 308
Waste management		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	(586 496)	217 290	394 456	454 992	387 621	387 621	8 653 142	270 733	283 187	295 930
Funded by:											
National Government		(168 711)	211 626	192 453	454 992	371 664	371 664	889 330	270 733	283 187	295 930
Provincial Government		-	5 528	5 476	-	-	-	11 005	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	(168 711)	217 154	197 930	454 992	371 664	371 664	900 334	270 733	283 187	295 930
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		(417 786)	136	196 526	-	15 958	15 958	7 752 808	-	-	-
Total Capital Funding	7	(586 496)	217 290	394 456	454 992	387 621	387 621	8 653 142	270 733	283 187	295 930

An allocation of R270 million has been made for infrastructure related expenditure, this amount is made of MIG CAPEX to the value of R182 million, there were no allocations for Municipal Disaster Recovery Grant and WSIG allocated an amount to the value of R100 million. There was also no allocation made available to fund certain critical capital expenditure from internally generated funds.

1.6.1 Municipal Infrastructure Grant (MIG)

As per the DoRA allocation MIG has been gazetted at R182 million in the 2024/25 financial year for infrastructure related expenditure. This amount is split between R170 million CAPEX and R12 million OPEX.

	TOTAL MIG ALLOCATION	AMOUNT
	TOTAL MIG CAPITAL BUDGET	R170,733,150.00
	TOTAL MIG OPERATIONAL BUDGET	R 12,143,850.00
		R182,877,000.00

The MIG CAPEX has considered MIG registered projects that shall be implemented in the 2024/25 financial and beyond and new projects that are being planned for. The following water and sanitation projects across the district will be implemented with the intention to provide the much-needed relief to the lives of residents:

Column1	Column2	Column3	Column4
MIG CAPITAL BUDGET			
WATER			
NO	PROJECT NAME	LOCAL MUNICIPALITY	AMOUNT
1	Msikaba and Surrounds Wate Supply	Ray Nkonyeni	R 10,000,000.00
2	Kwangai and Surrounds Water Supply Scheme	Umdoni	R 20,000,000.00
3	Umzinto Slums Clearance: Farm Isonti Low Cost Housing Water and Sanitation Scheme	Umdoni	R 19,200,000.00
4	Umzinto Waste Water Treatment Works and Outfall Sewers Upgrade and Rehabilitation	Umdoni	R 20,000,000.00
5	Vulamehlo Cross-Border Water Scheme	Umdoni	R 10,000,000.00
6	Umzimkhulu Bulk Water Augmentation Scheme - Phase 2	Ray Nkonyeni	R 20,000,000.00
7	Kwalemba Water Supply Scheme Extension Implementation - Phase 1	Umdoni	R 18,965,778.00
8	Umdoni South Bulk Water Supply	Umdoni	R 3,000,000.00
9	Emergency Boreholes Programme - Phase 2 - Implementation	Whole of the District	R 20,000,000.00
TOTAL WATER (MIG)			R141,165,778.00

SANITATION			
NO	PROJECT NAME	LOCAL MUNICIPALITY	AMOUNT
1	Malangeni Low Cost Housing Project	Umdoni	R 7,567,372.00
2	Margate Extension 3 & 7 Sanitation Scheme - Ward 6	Ray Nkonyeni	R 22,000,000.00
TOTAL SANITATION (MIG)			R 29,567,372.00

The MIG OPEX caters for the R3 million on sanitation across the district and R9.1 million top slice. The MIG Top Slice relates to costs necessary for the running of the Project Management Unit within the Water Services Department predominantly PMU section Salaries.

MIG OPERATIONAL BUDGET			
NO	PROJECT NAME	LOCAL MUNICIPALITY	AMOUNT
1	HIBISCUS COAST SANITATION (OPEX)	Whol of the District	R3,000,000.00
2	TOP SLICE - PMU FEES (OPEX)	Whol of the District	R9,143,850.00
TOTAL MIG OPERATIONAL BUDGET			R12,143,850.00

1.6.2 Water Services Infrastructure Grant

The expenditure on WSIG allocated at R100 million in the 2024/25 financial year is aimed at reducing non-revenue water through enhancing the performance of the municipality's infrastructure. Therefore, expenditure on WSIG is, but not limited to, predominantly on the refurbishment of key infrastructure and the replacement of major pipeline. This grant is being used by the municipality to supplement the provision of funds for repairs and maintenance.

WSIG CAPITAL BUDGET			
NO	PROJECT NAME	LOCAL MUNICIPALITY	AMOUNT
1	Water Pipeline Replacement Programme	Whole of the District	R 36,100,000.00
2	Dunjazane Water Pipeline	Ray Nkonyeni	R 13,900,000.00
3	KwaMadlala Water Pipeline	Ray Nkonyeni	R 30,000,000.00
4	Upgrade of Harding Sewer Reticulation	Umuziwabantu	R 20,000,000.00
TOTAL WSIG BUDGET			R100,000,000.00

1.6.3 Future operational cost of new infrastructure

The future operational costs and revenues associated with the capital programme is factored in the operational budget.

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2024/25 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Choose name from list - Table A1 Budget Summary

Description	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousands										
Financial Performance										
Property rates	–	–	–	–	–	–	–	–	–	–
Service charges	452 900	444 946	502 857	473 915	506 857	506 857	338 916	582 886	556 048	582 849
Investment revenue	8 268	7 470	10 841	11 605	12 424	12 424	8 320	13 033	13 633	14 246
Transfer and subsidies - Operational	571 487	533 163	599 370	753 871	798 827	798 827	476 782	687 107	766 552	808 903
Other own revenue	49 613	56 547	82 393	48 485	73 848	73 848	51 079	84 223	88 098	92 062
Total Revenue (excluding capital transfers and contributions)	1 082 268	1 042 126	1 195 461	1 287 876	1 391 956	1 391 956	875 098	1 367 249	1 424 329	1 498 059
Employee costs	405 001	413 723	516 142	409 846	280 464	280 464	401 838	293 957	307 479	321 316
Remuneration of councillors	9 719	9 809	11 795	11 409	13 693	13 693	8 930	14 364	15 025	15 701
Depreciation and amortisation	229 592	226 978	226 480	220 000	220 000	220 000	146 851	230 780	218 614	207 485
Interest	17 693	22 771	7 380	7 222	4 620	4 620	11 732	4 846	5 069	5 297
Inventory consumed and bulk purchases	166 135	155 058	143 548	128 408	56 498	56 498	102 568	64 687	67 663	70 708
Transfers and subsidies	11 736	2 786	21 650	8 000	–	–	–	–	–	–
Other expenditure	416 215	464 014	529 111	324 871	245 639	245 639	333 703	250 622	262 151	273 948
Total Expenditure	1 256 091	1 295 140	1 456 107	1 109 757	820 915	820 915	1 005 621	859 257	876 001	894 455
Surplus/(Deficit)	(173 823)	(253 014)	(260 646)	178 119	571 041	571 041	(130 524)	507 991	548 328	603 605
Transfers and subsidies - capital (monetary allocations)	241 682	348 809	508 512	454 994	360 477	360 477	280 783	270 733	283 187	295 930
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–	–	–
	67 859	95 795	247 866	633 114	931 518	931 518	150 259	778 724	831 515	899 535
Surplus/(Deficit) after capital transfers & contributions	–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	67 859	95 795	247 866	633 114	931 518	931 518	150 259	778 724	831 515	899 535
Capital expenditure & funds sources										
Capital expenditure	(586 496)	217 290	394 456	454 992	387 621	387 621	8 653 142	270 733	283 187	295 930
Transfers recognised - capital	(168 711)	217 154	197 930	454 992	371 664	371 664	900 334	270 733	283 187	295 930
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	(417 786)	136	196 526	–	15 958	15 958	7 752 808	–	–	–
Total sources of capital funds	(586 496)	217 290	394 456	454 992	387 621	387 621	8 653 142	270 733	283 187	295 930
Financial position										
Total current assets	297 005	167 395	286 856	884 557	1 048 229	1 048 229	345 768	882 838	1 017 236	1 132 285
Total non current assets	3 409 741	3 465 180	3 640 907	3 741 680	3 807 054	3 807 054	3 731 081	3 690 165	4 078 345	4 503 062
Total current liabilities	761 788	810 280	1 009 739	748 580	522 557	522 557	1 015 103	(552 120)	(348 867)	(278 530)
Total non current liabilities	128 977	118 553	116 778	304 968	285 141	285 141	112 355	(194 481)	(176 973)	(164 716)
Community wealth/Equity	2 945 334	2 976 906	3 013 727	3 634 808	4 143 462	4 143 462	3 015 446	5 306 089	5 643 060	6 056 972
Cash flows										
Net cash from (used) operating	20 993	4 880 612	11 701 993	368 904	745 108	745 108	9 256 932	733 855	936 154	1 017 390
Net cash from (used) investing	–	(310 926)	(602 959)	521 069	414 549	414 549	602 959	(334 719)	(338 381)	(356 898)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	20 993	4 569 686	11 099 034	889 973	1 159 657	1 159 657	9 859 890	412 222	1 009 994	1 670 487
Cash backing/surplus reconciliation										
Cash and investments available	78 294	30 541	11 899	551 123	739 753	739 753	(10 971)	412 132	615 292	688 810
Application of cash and investments	530 243	320 940	528 412	604 362	312 067	312 067	345 815	(617 246)	(536 312)	(471 923)
Balance - surplus (shortfall)	(451 949)	(290 399)	(516 513)	(53 239)	427 686	427 686	(356 786)	1 029 378	1 151 604	1 160 733
Asset management										
Asset register summary (WDV)	607 371	834 120	1 210 016	272 354	202 863	202 863	151 131	151 131	173 865	197 238
Depreciation	225 081	222 639	219 646	220 000	220 000	220 000	220 000	220 000	209 000	198 550
Renewal and Upgrading of Existing Assets	7 490 667	7 541 429	7 667 771	220 289	121 974	121 974	73 000	75 150	76 650	80 483
Repairs and Maintenance	73 351	110 399	97 311	41 650	22 420	22 420	22 420	22 420	26 444	25 226
Free services										
Cost of Free Basic Services provided	–	–	21 697	59 431	59 431	59 431	42 997	45 577	48 312	–
Revenue cost of free services provided	(5 619)	(6 483)	684	(60 605)	(60 606)	(60 606)	(69 696)	(67 196)	(70 932)	–
Households below minimum service level										
Water:	0	0	0	0	0	0	0	0	0	–
Sanitation/sewerage:	0	0	0	0	0	0	0	0	0	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the District's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasize the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF.
 - b. Capital expenditure is balanced by capital funding sources, of which:
 - i. Transfers recognized is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. This places the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently, Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations in accordance with the recently adopted Funding and Reserves Policy. This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations. It is anticipated that the goal of having all obligations cash-back will be achieved by 2025/26, when a small surplus is reflected.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs. It is anticipated that by 2025/26 the water backlog will have been very nearly eliminated.

Table 8 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Choose name from list - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue - Functional										
<i>Governance and administration</i>		700 932	681 097	771 498	837 568	817 238	817 238	671 455	712 466	752 063
Executive and council		4 468	3 611	3 319	3 819	3 606	3 606	(2 864)	–	–
Finance and administration		696 464	677 486	768 179	833 749	813 632	813 632	674 319	712 466	752 063
Internal audit		–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		–	–	–	–	–	–	–	–	–
Community and social services		–	–	–	–	–	–	–	–	–
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		2 879	961	7 735	2 264	4 810	4 810	10 827	11 460	12 096
Planning and development		2 856	961	7 729	2 264	3 610	3 610	10 827	11 460	12 096
Road transport		–	–	–	–	–	–	–	–	–
Environmental protection		23	–	6	–	1 200	1 200	–	–	–
<i>Trading services</i>		620 469	708 999	924 741	903 039	930 385	930 385	687 513	700 404	733 901
Energy sources		–	–	–	–	–	–	–	–	–
Water management		511 590	591 489	807 969	790 356	806 434	806 434	563 561	570 255	597 244
Waste water management		108 879	117 509	116 772	112 683	123 951	123 951	123 951	130 149	136 656
Waste management		–	–	–	–	–	–	–	–	–
<i>Other</i>	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	1 324 279	1 391 056	1 703 973	1 742 870	1 752 433	1 752 433	1 369 795	1 424 329	1 498 059
Expenditure - Functional										
<i>Governance and administration</i>		368 011	406 943	435 853	564 111	459 997	459 997	459 847	468 411	445 961
Executive and council		65 985	67 132	80 703	42 447	44 313	44 313	44 313	40 872	39 225
Finance and administration		299 270	339 254	355 149	520 894	415 014	415 014	414 864	426 807	406 042
Internal audit		2 756	556	–	770	670	670	670	732	695
<i>Community and public safety</i>		6 658	2 672	6 750	6 470	10 103	10 103	10 103	7 131	6 917
Community and social services		6 576	2 724	4 497	5 770	9 543	9 543	9 543	6 466	6 286
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Health		83	(52)	2 254	700	560	560	560	665	632
<i>Economic and environmental services</i>		99 137	218 615	173 439	19 194	10 266	10 266	10 266	10 738	10 223
Planning and development		98 949	217 791	170 992	17 994	9 866	9 866	9 866	9 598	9 140
Road transport		–	–	1 697	–	–	–	–	–	–
Environmental protection		188	825	750	1 200	400	400	400	1 140	1 083
<i>Trading services</i>		846 829	877 954	988 606	519 982	345 678	345 678	379 072	391 414	434 234
Energy sources		–	–	47	–	–	–	–	–	–
Water management		751 888	767 482	781 342	395 001	216 213	216 213	290 311	308 904	355 529
Waste water management		94 940	110 472	207 216	124 981	129 465	129 465	88 761	82 510	78 705
Waste management		–	–	–	–	–	–	–	–	–
<i>Other</i>	4	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	1 320 635	1 506 184	1 604 647	1 109 757	826 043	826 043	859 287	877 694	897 336
Surplus/(Deficit) for the year		3 644	(115 128)	99 326	633 114	926 390	926 390	510 508	546 635	600 724

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

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognized – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for Water and Wastewater functions. As already noted above, the municipality will be undertaking a detailed study of this function to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under the Corporate Services.

Table 9 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Choose name from list - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
Revenue by Vote	1									
Vote 1 - Executive and Council		4 468	3 611	3 319	3 819	3 606	3 606	(2 864)	–	–
Vote 2 - Finance and Administration		696 433	677 456	768 179	833 749	813 632	813 632	674 319	712 466	752 063
Vote 3 - Internal Audit		30	30	–	–	–	–	–	–	–
Vote 4 - Community and Social Services		–	–	–	–	–	–	–	–	–
Vote 5 - Sports and recreation		–	–	–	–	–	–	–	–	–
Vote 6 - Public safety		–	–	–	–	–	–	–	–	–
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–
Vote 8 - Health		–	–	–	–	–	–	–	–	–
Vote 9 - Planning and Development		2 856	961	7 729	2 264	3 610	3 610	10 827	11 460	12 096
Vote 10 - Road Transport		–	–	–	–	–	–	–	–	–
Vote 11 - Environmental Protection		23	–	6	–	1 200	1 200	–	–	–
Vote 12 - [NAME OF VOTE 1210]		–	–	–	–	–	–	–	–	–
Vote 13 - Water Management		511 590	591 489	807 969	790 356	806 434	806 434	563 561	570 255	597 244
Vote 14 - Waste Water Management		108 879	117 509	116 772	112 683	123 951	123 951	123 951	130 149	136 656
Vote 15 - Waste Management		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	1 324 279	1 391 056	1 703 973	1 742 870	1 752 433	1 752 433	1 369 795	1 424 329	1 498 059
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive and Council		65 985	67 132	80 703	42 447	44 313	44 313	44 313	40 872	39 225
Vote 2 - Finance and Administration		299 270	339 254	355 149	520 894	415 014	415 014	414 864	426 807	406 042
Vote 3 - Internal Audit		2 756	556	–	770	670	670	670	732	695
Vote 4 - Community and Social Services		6 576	2 724	4 497	5 770	9 543	9 543	9 543	6 466	6 286
Vote 5 - Sports and recreation		–	–	–	–	–	–	–	–	–
Vote 6 - Public safety		–	–	–	–	–	–	–	–	–
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–
Vote 8 - Health		83	(52)	2 254	700	560	560	560	665	632
Vote 9 - Planning and Development		98 949	217 791	170 992	17 994	9 866	9 866	9 866	9 598	9 140
Vote 10 - Road Transport		–	–	1 697	–	–	–	–	–	–
Vote 11 - Environmental Protection		188	825	750	1 200	400	400	400	1 140	1 083
Vote 12 - [NAME OF VOTE 1210]		–	–	47	–	–	–	–	–	–
Vote 13 - Water Management		751 888	767 482	781 342	395 001	216 213	216 213	290 311	308 904	146 905
Vote 14 - Waste Water Management		94 940	110 472	207 216	124 981	129 465	129 465	88 761	82 510	78 705
Vote 15 - Waste Management		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	1 320 635	1 506 184	1 604 647	1 109 757	826 043	826 043	859 287	877 694	688 712
Surplus/(Deficit) for the year	2	3 644	(115 128)	99 326	633 114	926 390	926 390	510 508	546 635	809 348

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

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

Table 20 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

Choose name from list - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand	1										
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	344 026	337 897	390 940	361 232	382 906	382 906	257 647	440 342	419 912	440 043
Service charges - Waste Water Management	2	108 875	107 049	111 917	112 683	123 951	123 951	81 269	142 544	136 136	142 806
Service charges - Waste Management	2	-	-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services		1 117	1 222	2 218	-	2 843	2 843	2 927	2 983	3 120	3 260
Agency services		-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		42 719	49 824	56 741	37 768	66 903	66 903	45 940	76 939	80 478	84 099
Interest earned from Current and Non Current Assets		8 268	7 470	10 841	11 605	12 424	12 424	8 320	13 033	13 633	14 246
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		2 163	2 241	2 286	2 264	1 737	1 737	877	1 822	1 905	1 991
Licence and permits		-	-	-	-	-	-	-	-	-	-
Operational Revenue		829	703	15 805	8 453	2 364	2 364	1 335	2 480	2 594	2 711
Non-Exchange Revenue											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-
Licences or permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		571 487	533 163	599 370	753 871	798 827	798 827	476 782	687 107	766 552	808 903
Interest		-	-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		148	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		1 298	2 519	3 744	-	-	-	-	-	-	-
Other Gains		1 339	38	1 600	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and cont		1 082 268	1 042 126	1 195 461	1 287 876	1 391 956	1 391 956	875 098	1 367 249	1 424 329	1 498 059
Expenditure											
Employee related costs	2	405 001	413 723	516 142	409 846	280 464	280 464	401 838	293 957	307 479	321 316
Remuneration of councillors		9 719	9 809	11 795	11 409	13 693	13 693	8 930	14 364	15 025	15 701
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	8	166 135	155 058	143 548	128 408	56 498	56 498	102 568	64 687	67 663	70 708
Debt impairment	3	-	-	-	74 453	27 226	27 226	49 630	28 560	29 874	31 218
Depreciation and amortisation		229 592	226 978	226 480	220 000	220 000	220 000	146 851	230 780	218 614	207 485
Interest		17 693	22 771	7 380	7 222	4 620	4 620	11 732	4 846	5 069	5 297
Contracted services		216 136	249 766	317 139	138 693	124 069	124 069	128 510	122 854	128 505	134 288
Transfers and subsidies		11 736	2 786	21 650	8 000	-	-	-	-	-	-
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-
Operational costs		192 157	243 454	204 328	111 726	94 344	94 344	155 588	99 208	103 772	108 441
Losses on disposal of Assets		7 916	(29 214)	7 652	-	-	-	-	-	-	-
Other Losses		5	9	(8)	-	-	-	(26)	-	-	-
Total Expenditure		1 256 091	1 295 140	1 456 107	1 109 757	820 915	820 915	1 005 621	859 257	876 001	894 455
Surplus/(Deficit)		(173 823)	(253 014)	(260 646)	178 119	571 041	571 041	(130 524)	507 991	548 328	603 605
Transfers and subsidies - capital (monetary	6	241 682	348 809	508 512	454 994	360 477	360 477	280 783	270 733	283 187	295 930
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		67 859	95 795	247 866	633 114	931 518	931 518	150 259	778 724	831 515	899 535
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		67 859	95 795	247 866	633 114	931 518	931 518	150 259	778 724	831 515	899 535
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		67 859	95 795	247 866	633 114	931 518	931 518	150 259	778 724	831 515	899 535
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		329	122	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	68 188	95 917	247 866	633 114	931 518	931 518	150 259	778 724	831 515	899 535

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

1. Total revenue is R1.391 billion in 2023/24 and drops to R1.367 billion by 2024/25. This represents a decrease of 2 per cent for the 2024/25 financial year and a 4 per cent increase for the 2025/26 financial year.
2. Revenue to be generated from service charges water and sanitation (excluding interest of overdue accounts) is R506 million in the 2023/24 financial year and increases to R582 million by 2024/25 which represents 43 per cent of the operating revenue base of the district and therefore remains a significant funding source for the municipality. It remains relatively constant over the medium-term and tariff increases have been factored in at 6 per cent per cent for each of the respective financial years of the MTREF.
3. Transfers recognized – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are growing rapidly over the MTREF by 0 per cent and 6 per cent for the two outer years. The percentage share of this revenue source declines due to the more rapid relative growth in service charge revenues.
4. Bulk purchases – Water / Inventory Consumed have significantly increased over the 2023/24 to 2025/26 period escalating from R56 million to R64 million. These increases can be attributed to the substantial increase in the cost of bulk water from uMgeni Water.
5. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

Table 21 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		-	-	-	-	-	-	-	-	-	-
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Sports and recreation		-	-	-	-	-	-	-	-	-	-
Vote 6 - Public safety		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - Health		-	-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		-	-	-	-	-	-	-	-	-	-
Vote 10 - Road Transport		-	-	-	-	-	-	-	-	-	-
Vote 11 - Environmental Protection		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 1210]		-	-	-	-	-	-	-	-	-	-
Vote 13 - Water Management		-	-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		(160 982)	(45 338)	46 630	-	15 958	15 958	15 958	-	-	-
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Sports and recreation		-	-	-	-	-	-	-	-	-	-
Vote 6 - Public safety		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - Health		-	-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		892	-	(5 904)	-	-	-	-	-	-	-
Vote 10 - Road Transport		-	-	-	-	-	-	-	-	-	-
Vote 11 - Environmental Protection		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 1210]		-	-	-	-	-	-	-	-	-	-
Vote 13 - Water Management		(38 318)	152 350	281 655	335 995	236 901	236 901	236 901	178 966	187 238	195 716
Vote 14 - Waste Water Management		(388 088)	110 278	72 075	118 998	134 762	134 762	134 762	91 767	96 169	100 733
Vote 15 - Waste Management		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		(586 496)	217 290	394 456	454 992	387 621	387 621	387 621	270 733	283 407	296 449
Total Capital Expenditure - Vote		(586 496)	217 290	394 456	454 992	387 621	387 621	387 621	270 733	283 407	296 449
Capital Expenditure - Functional											
Governance and administration		(160 982)	(45 338)	46 630	-	15 958	15 958	6 024 386	-	-	-
Executive and council		-	-	-	-	-	-	-	-	-	-
Finance and administration		(160 982)	(45 338)	46 630	-	15 958	15 958	6 024 386	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		892	-	(5 904)	-	-	-	(4 788)	-	-	-
Planning and development		892	-	(5 904)	-	-	-	(4 788)	-	-	-
Road transport		-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		(426 406)	262 628	353 730	454 992	371 664	371 664	2 633 545	270 733	283 187	295 930
Energy sources		-	-	-	-	-	-	-	-	-	-
Water management		(38 318)	152 350	281 655	335 995	236 901	236 901	936 354	178 966	187 198	195 622
Waste water management		(388 088)	110 278	72 075	118 998	134 762	134 762	1 697 191	91 767	95 989	100 308
Waste management		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	(586 496)	217 290	394 456	454 992	387 621	387 621	8 653 142	270 733	283 187	295 930
Funded by:											
National Government		(168 711)	211 626	192 453	454 992	371 664	371 664	889 330	270 733	283 187	295 930
Provincial Government		-	5 528	5 476	-	-	-	11 005	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departrm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	(168 711)	217 154	197 930	454 992	371 664	371 664	900 334	270 733	283 187	295 930
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		(417 786)	136	196 526	-	15 958	15 958	7 752 808	-	-	-
Total Capital Funding	7	(586 496)	217 290	394 456	454 992	387 621	387 621	8 653 142	270 733	283 187	295 930

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

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations, for 2023/24 has been allocated of the total R270 million capital budgets. This allocation escalates to R283 million in 2024/25 and to R295 million in 2025/26 owing primarily to the fact that water and sanitation backlogs remain an issue and thus the need to increase access to water and sanitation continues to be a priority.
3. The capital programme is funded from capital and provincial grants and transfers and internally generated funds from current year surpluses. For 2023/24, capital transfers totals R270 million (100 per cent) and escalates to R295 million by 2025/26. There was no internally generated funding for each of the respective financial years of the MTREF. These funding sources are further discussed in detail in 2.6 (Overview of Budget Funding).

Table 22 MBRR Table A6 - Budgeted Financial Position

Choose name from list - Table A6 Budgeted Financial Position

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand											
ASSETS											
Current assets											
Cash and cash equivalents		78 294	30 541	11 899	551 123	739 753	739 753	(10 972)	412 132	615 292	688 810
Trade and other receivables from exchange transactions	1	137 750	84 207	202 929	298 219	292 566	292 566	300 120	271 253	174 607	196 965
Receivables from non-exchange transactions	1	(41 842)	(41 709)	(41 709)	13 554	9 470	9 470	(41 709)	9 470	14 367	15 180
Current portion of non-current receivables		3 082	2 627	2 556	66	66	66	2 362	66	70	74
Inventory	2	13 743	13 075	16 475	14 068	14 807	14 807	17 707	6 617	16 266	25 026
VAT		105 389	78 147	94 382	7 528	(8 432)	(8 432)	75 994	183 301	196 635	206 230
Other current assets		589	507	324	-	-	-	2 265	-	-	-
Total current assets		297 005	167 395	286 856	884 657	1 048 229	1 048 229	345 768	882 838	1 017 236	1 132 285
Non current assets											
Investments		0	0	100.00	-	-	-	0	-	-	-
Investment property		33 106	33 044	28 000 000.00	34 244	28 000	28 000	28 000	28 000	30 800	33 880
Property, plant and equipment	3	3 367 289	3 424 255	3 599 470	3 699 369	3 766 790	3 766 790	3 690 594	3 649 902	4 034 340	4 454 897
Biological assets		-	-	-	-	-	-	-	-	-	-
Living and non-living resources		-	-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-	-
Intangible assets		3 938	2 659	6 783	2 559	6 683	6 683	4 855	6 683	7 366	8 117
Trade and other receivables from exchange transactions		6 283	5 500	6 932	-	-	-	7 911	-	-	-
Non-current receivables from non-exchange transactions		(875)	(279)	(279)	5 508	5 581	5 581	5 581	5 581	5 838	6 169
Other non-current assets		0	0	0	-	-	-	0	-	-	-
Total non current assets		3 409 741	3 465 180	3 640 907	3 741 680	3 807 054	3 807 054	3 731 081	3 690 165	4 078 345	4 503 062
TOTAL ASSETS		3 706 746	3 632 574	3 927 763	4 626 337	4 855 282	4 855 282	4 076 849	4 573 003	5 095 581	5 635 347
LIABILITIES											
Current liabilities											
Bank overdraft		-	-	-	-	-	-	-	-	-	-
Financial liabilities		9 853	225 762	173 995	-	-	-	173 995	(6 270)	(5 643)	(5 079)
Consumer deposits		21 888	21 967	22 237	21 967	-	-	22 548	-	-	-
Trade and other payables from exchange transactions	4	530 243	332 891	543 270	657 136	376 141	376 141	388 284	(589 855)	(481 325)	(405 652)
Trade and other payables from non-exchange transactions	5	3 543	7 920	1 378	2 500	46 616	46 616	93 491	57 644	152 966	146 960
Provision		76 664	79 761	90 140	4 740	6 954	6 954	131 186	(6 954)	(7 649)	(8 414)
VAT		119 598	141 981	178 719	62 237	92 846	92 846	206 600	(6 685)	(7 216)	(6 344)
Other current liabilities		-	-	-	-	-	-	-	-	-	-
Total current liabilities		761 788	810 280	1 009 739	748 580	522 557	522 557	1 015 103	(552 120)	(348 867)	(278 530)
Non current liabilities											
Financial liabilities	6	44 736	39 690	34 271	201 591	149 016	149 016	29 848	(149 106)	(127 060)	(109 812)
Provision	7	64 808	62 119	63 941	86 633	90 750	90 750	63 941	-	(4 538)	(9 529)
Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-
Other non-current liabilities		19 433	16 744	18 566	16 744	45 375	45 375	18 566	(45 375)	(45 375)	(45 375)
Total non current liabilities		128 977	118 553	116 778	304 968	285 141	285 141	112 355	(194 481)	(176 973)	(164 716)
TOTAL LIABILITIES		890 765	928 832	1 126 517	1 053 548	807 698	807 698	1 127 458	(746 601)	(525 840)	(443 245)
NET ASSETS		2 815 981	2 703 742	2 801 246	3 572 689	4 047 584	4 047 584	2 949 391	5 319 604	5 621 420	6 078 593
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	2 945 334	2 976 906	3 013 727	3 863 891	4 143 462	4 143 462	3 015 446	5 312 359	5 648 703	6 062 051
Reserves and funds	9	-	-	-	(229 083)	-	-	-	(6 270)	(5 643)	(5 079)
Other		-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	10	2 945 334	2 976 906	3 013 727	3 634 808	4 143 462	4 143 462	3 015 446	5 306 089	5 643 060	6 056 972

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity, i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table 66 is supported by an extensive table of notes (SA3) providing a detailed analysis of the major components of several items, including:
 - Call investments deposits.
 - Consumer debtors.
 - Property, plant and equipment.
 - Trade and other payables.
 - Provisions non-current.
 - Changes in net assets; and
 - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition, the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 23 MBRR Table A7 - Budgeted Cash Flow Statement

Choose name from list - Table A7 Budgeted Cash Flows

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		-	-	-	-	-	-	-	-	-	-
Service charges		-	1 245 538	2 787 156	315 135	524 681	524 681	3 686 896	468 924	614 767	645 017
Other revenue		-	-	-	120 425	112 817	112 817	-	(103 384)	(111 943)	(118 313)
Transfers and Subsidies - Operational	1	37 781	2 623 352	6 802 723	756 371	803 347	803 347	7 824 318	734 435	789 136	832 286
Transfers and Subsidies - Capital	1	5 479	277 190	283 796	454 994	402 573	402 573	288 699	275 321	312 767	315 017
Interest		-	-	-	11 605	12 424	12 424	-	12 424	13 046	13 698
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(22 268)	734 533	1 828 318	(1 274 405)	(1 103 159)	(1 103 159)	(2 542 981)	(649 290)	(677 680)	(666 575)
Interest		-	-	-	(7 222)	(7 575)	(7 575)	-	(4 575)	(3 938)	(3 741)
Transfers and Subsidies	1	-	-	-	(8 000)	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		20 993	4 880 612	11 701 993	368 904	745 108	745 108	9 256 932	733 855	936 154	1 017 390
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	(330)
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		-	(310 926)	(602 959)	521 069	414 549	414 549	602 959	(334 719)	(338 381)	(356 567)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(310 926)	(602 959)	521 069	414 549	414 549	602 959	(334 719)	(338 381)	(356 898)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		20 993	4 569 686	11 099 034	889 973	1 159 657	1 159 657	9 859 890	399 135	597 773	660 493
Cash/cash equivalents at the year begin:	2	-	-	-	-	-	-	-	13 086	412 222	1 009 994
Cash/cash equivalents at the year end:	2	20 993	4 569 686	11 099 034	889 973	1 159 657	1 159 657	9 859 890	412 222	1 009 994	1 670 487

Table 24 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Choose name from list - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	20 993	4 569 686	11 099 034	889 973	1 159 657	1 159 657	9 859 890	412 222	1 009 994	1 670 487
Other current investments > 90 days		57 301	(4 539 145)	(11 087 135)	(338 850)	(419 904)	(419 904)	(9 870 862)	(90)	(394 703)	(981 677)
Non current Investments	1	0	0	0	-	-	-	0	-	-	-
Cash and investments available:		78 294	30 541	11 899	551 123	739 753	739 753	(10 971)	412 132	615 292	688 810
Application of cash and investments											
Unspent conditional transfers		-	-	-	2 500	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	530 243	320 940	528 412	601 862	312 067	312 067	345 815	(617 246)	(536 312)	(471 923)
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		530 243	320 940	528 412	604 362	312 067	312 067	345 815	(617 246)	(536 312)	(471 923)
Surplus(shortfall) - Excluding Non-Current Creditors Trf		(451 949)	(290 399)	(516 513)	(53 239)	427 686	427 686	(356 786)	1 029 378	1 151 604	1 160 733
Creditors transferred to Debt Relief - Non-Current portfolio		-	-	-	-	-	-	-	-	-	-
Surplus(shortfall) - Including Non-Current Creditors Trf		(451 949)	(290 399)	(516 513)	(53 239)	427 686	427 686	(356 786)	1 029 378	1 151 604	1 160 733

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. The cash levels of the district are expected to gradually increase over the 2023/24 to 2025/26 with the hopes of building reserves.
4. The approved 2023/24 MTREF provide for a further net increase in cash of R399 million for the 2024/25 financial year resulting in an overall projected positive cash position of R412 million at year end.
5. The 2023/24 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
6. Cash and cash equivalents total R412 million as at the end of the 2024/25 financial year and escalates to R597 million by 2025/26.

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

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. From the table for the period 2023/24 to 2025/26 the surplus improves from R199 million to R338 million.
6. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2024/23 MTREF was funded owing to the surplus.
7. As part of the budgeting and planning guidelines that informed the compilation of the 2023/24 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.
8. As can be seen the budget has been modelled to progressively move to a prospective surplus of R427 million in 2023/24 to a surplus of R1 029 billion by 2024/25.

Choose name from list - Table A9 Asset Management

CHASSIS NAME FORMER - Page No Asset Management										
Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
CAPITAL EXPENDITURE										
<u>Total New Assets</u>	1	314 684	481 212	749 325	234 703	265 647	265 647	197 733	207 620	218 001
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		(34 799)	26 019	32 279	152 223	151 586	151 586	108 966	114 414	120 135
Sanitation Infrastructure		60 076	168 261	230 791	82 480	98 103	98 103	88 767	93 206	97 866
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		4 290	4 290	4 290	-	-	-	-	-	-
Infrastructure		29 568	198 570	267 360	234 703	249 689	249 689	197 733	207 620	218 001
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		(5 760)	3 554	27 457	-	6 055	6 055	-	-	-
Housing		144	144	144	-	-	-	-	-	-
Other Assets		(5 616)	3 698	27 601	-	6 055	6 055	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		9 838	9 838	9 838	-	-	-	-	-	-
Intangible Assets		9 838	9 838	9 838	-	-	-	-	-	-
Computer Equipment		3 663	4 477	4 709	-	1 232	1 232	-	-	-
Furniture and Office Equipment		2 053	3 518	4 883	-	4	4	-	-	-
Machinery and Equipment		153 672	196 536	355 815	-	-	-	-	-	-
Transport Assets		157 822	100 890	115 435	-	8 667	8 667	-	-	-
Land		(36 315)	(36 315)	(36 315)	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
<u>Total Renewal of Existing Assets</u>	2	7 199 802	7 198 961	7 205 546	-	-	-	30 000	31 500	33 075
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		6 991	6 991	6 991	-	-	-	30 000	31 500	33 075
Sanitation Infrastructure		7 071 204	7 070 363	7 070 363	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		7 078 195	7 077 354	7 077 354	-	-	-	30 000	31 500	33 075
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		6 355	6 355	6 355	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		6 355	6 355	6 355	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		2 659	2 659	2 659	-	-	-	-	-	-
Licences and Rights		8 300	8 300	14 884	-	-	-	-	-	-
Intangible Assets		10 959	10 959	17 544	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		81 225	81 225	81 225	-	-	-	-	-	-
Machinery and Equipment		17 519	17 519	17 519	-	-	-	-	-	-
Transport Assets		5 549	5 549	5 549	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-

Table 25 MBRR Table A9 - Asset Management continued...

Total Upgrading of Existing Assets	6	290 865	342 468	462 226	220 289	121 974	121 974	43 000	45 150	47 408
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	5 528	7 527	-	-	-	-	-	-
Water Supply Infrastructure		160 251	206 326	321 384	191 288	110 433	110 433	43 000	45 150	47 408
Sanitation Infrastructure		-	-	8 605	29 002	11 541	11 541	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		160 251	211 854	337 516	220 289	121 974	121 974	43 000	45 150	47 408
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		(0)	(0)	(0)	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		(0)	(0)	(0)	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		84 228	84 228	84 228	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		45 446	45 446	39 543	-	-	-	-	-	-
Transport Assets		940	940	940	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	7 805 351	8 022 641	8 417 096	454 992	387 621	387 621	270 733	284 270	298 483
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	5 528	7 527	-	-	-	-	-	-
Water Supply Infrastructure		132 444	239 336	360 654	343 511	262 019	262 019	181 966	191 064	200 617
Sanitation Infrastructure		7 131 281	7 238 624	7 309 759	111 482	109 644	109 644	88 767	93 206	97 866
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		4 290	4 290	4 290	-	-	-	-	-	-
Infrastructure		7 268 014	7 487 778	7 682 230	454 992	371 664	371 664	270 733	284 270	298 483
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		595	9 909	33 812	-	6 055	6 055	-	-	-
Housing		144	144	144	-	-	-	-	-	-
Other Assets		739	10 053	33 956	-	6 055	6 055	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		2 659	2 659	2 659	-	-	-	-	-	-
Licences and Rights		18 138	18 138	24 722	-	-	-	-	-	-
Intangible Assets		20 797	20 797	27 382	-	-	-	-	-	-
Computer Equipment		87 891	88 704	88 937	-	1 232	1 232	-	-	-
Furniture and Office Equipment		83 278	84 743	86 108	-	4	4	-	-	-
Machinery and Equipment		216 637	259 501	412 876	-	-	-	-	-	-
Transport Assets		164 310	107 379	121 924	-	8 667	8 667	-	-	-
Land		(36 315)	(36 315)	(36 315)	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		7 805 351	8 022 641	8 417 096	454 992	387 621	387 621	270 733	284 270	298 483

Table 25 MBRR Table A9 - Asset Management continued...

ASSET REGISTER SUMMARY - PPE (WDV)	5	607 371	834 120	1 210 016	272 354	202 863	202 863	151 131	173 865	197 238
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		223 336	288 656	405 124	258 354	176 863	176 863	181 966	191 064	200 617
Sanitation Infrastructure		60 076	167 626	230 664	111 482	109 644	109 644	68 767	72 206	75 816
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		283 412	456 281	635 788	369 836	286 507	286 507	250 733	263 270	276 433
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Investment properties		33 106	33 044	28 000	34 244	28 000	28 000	28 000	30 800	33 880
Other Assets		77 377	70 607	91 863	(75 400)	(69 341)	(69 341)	(75 400)	(71 630)	(68 049)
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		3 938	2 659	6 783	2 559	6 683	6 683	6 683	7 366	8 117
Computer Equipment		7 873	8 687	8 919	(4 000)	(2 768)	(2 768)	(4 000)	(3 800)	(3 610)
Furniture and Office Equipment		754	754	754	(50 805)	(50 805)	(50 805)	(50 805)	(48 265)	(45 852)
Machinery and Equipment		169 940	218 333	379 609	(80)	(80)	(80)	(80)	(76)	(72)
Transport Assets		67 394	80 179	94 724	(4 000)	4 667	4 667	(4 000)	(3 800)	(3 610)
Land		(36 423)	(36 423)	(36 423)	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	607 371	834 120	1 210 016	272 354	202 863	202 863	151 131	173 865	197 238
EXPENDITURE OTHER ITEMS		298 432	333 038	316 957	261 650	242 420	242 420	242 420	235 444	223 776
Depreciation	7	225 081	222 639	219 646	220 000	220 000	220 000	220 000	209 000	198 550
Repairs and Maintenance by Asset Class	3	73 351	110 399	97 311	41 650	22 420	22 420	22 420	26 444	25 226
Roads Infrastructure		1 038	2 781	14 180	8 360	5 750	5 750	5 750	7 942	7 545
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		195	502	1 001	6 050	3 900	3 900	3 900	4 655	4 422
Water Supply Infrastructure		24 984	83 645	57 527	19 481	6 092	6 092	6 092	6 505	6 285
Sanitation Infrastructure		32 284	2 283	2 564	2 300	2 700	2 700	2 700	2 185	2 076
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	400	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	121	199	-	-	-	-	-	-
Infrastructure		58 501	89 733	75 470	36 190	18 442	18 442	18 442	21 287	20 328
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		166	951	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		166	951	-	-	-	-	-	-	-
Operational Buildings		2 017	5 179	975	2 500	2 000	2 000	2 000	2 375	2 256
Housing		-	-	-	-	-	-	-	-	-
Other Assets		2 017	5 179	975	2 500	2 000	2 000	2 000	2 375	2 256
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		(0)	850	727	758	758	758	758	720	684
Intangible Assets		(0)	850	727	758	758	758	758	720	684
Computer Equipment		-	-	-	20	20	20	20	19	18
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		575	854	531	2 182	1 200	1 200	1 200	2 043	1 940
Transport Assets		12 093	12 831	19 608	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		298 432	333 038	316 957	261 650	242 420	242 420	242 420	235 444	223 776

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The district's falls shy on both these recommendations.
3. The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF. It highlights the district's strategy to address the maintenance backlog.

Table 10 MBRR Table A10 - Basic Service Delivery Measurement

Choose name from list - Table A10 Basic service delivery measurement

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Household service targets	1									
Water:										
Piped water inside dwelling		37	37	37	37	37	37	39	42	44
Piped water inside yard (but not in dwelling)		22	22	22	22	22	22	23	25	26
Using public tap (at least min.service level)	2	94	94	94	94	94	94	100	106	112
Other water supply (at least min.service level)	4	1	1	1	1	1	1	1	1	1
<i>Minimum Service Level and Above sub-total</i>		154	154	154	154	154	154	163	173	183
Using public tap (< min.service level)	3	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	4	20	20	20	20	20	20	21	22	24
No water supply		1	1	1	1	1	1	1	1	1
<i>Below Minimum Service Level sub-total</i>		21	21	21	21	21	21	22	24	25
Total number of households	5	175	175	175	175	175	175	186	197	208
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		41	41	41	41	41	41	43	46	49
Flush toilet (with septic tank)		17	17	17	17	17	17	18	19	20
Chemical toilet		21	21	21	21	21	21	22	24	25
Pit toilet (ventilated)		67	67	67	67	67	67	71	75	80
Other toilet provisions (> min.service level)		–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>		146	146	146	146	146	146	155	164	174
Bucket toilet		6	6	6	6	6	6	6	7	7
Other toilet provisions (< min.service level)		–	–	–	–	–	–	–	–	–
No toilet provisions		8	8	8	8	8	8	8	9	10
<i>Below Minimum Service Level sub-total</i>		14	14	14	14	14	14	15	16	17
Total number of households	5	160	160	160	160	160	160	170	180	191
Energy:										
Electricity (at least min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (min.service level)		–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>		–	–	–	–	–	–	–	–	–
Electricity (< min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Refuse:										
Removed at least once a week		–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>		–	–	–	–	–	–	–	–	–
Removed less frequently than once a week		–	–	–	–	–	–	–	–	–
Using communal refuse dump		–	–	–	–	–	–	–	–	–
Using own refuse dump		–	–	–	–	–	–	–	–	–
Other rubbish disposal		–	–	–	–	–	–	–	–	–
No rubbish disposal		–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (free minimum level service)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed at least once a week)		–	–	–	–	–	–	–	–	–
Informal Settlements		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Formal Settlements (R'000)										
Water (6 kilolitres per indigent household per month)		–	–	21 697	59 431	59 431	59 431	42 997	45 577	48 312
Sanitation (free sanitation service to indigent households)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per indigent household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed once a week for indigent households)		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		–	–	–	–	–	–	–	–	–
Total cost of FBS provided	8	–	–	21 697	59 431	59 431	59 431	42 997	45 577	48 312
Highest level of free service provided per household										
Property rates (R value threshold)		–	–	–	–	–	–	–	–	–
Water (kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (Rand per household per month)		–	–	–	–	–	–	–	–	–
Electricity (kwh per household per month)		–	–	–	–	–	–	–	–	–
Refuse (average litres per week)		–	–	–	–	–	–	–	–	–
Revenue cost of subsidised services provided (R'000)	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)		(5 619)	(6 483)	684	(60 605)	(60 606)	(60 606)	(69 696)	(67 196)	(70 932)
Sanitation (in excess of free sanitation service to indigent households)		–	–	–	–	–	–	–	–	–
Electricity/other energy (in excess of 50 kwh per indigent household per month)		–	–	–	–	–	–	–	–	–
Refuse (in excess of one removal a week for indigent households)		–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates		–	–	–	–	–	–	–	–	–
Housing - top structure subsidies		–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Total revenue cost of subsidised services provided	6	(5 619)	(6 483)	684	(60 605)	(60 606)	(60 606)	(69 696)	(67 196)	(70 932)

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The district continues to make good progress with the eradication of backlogs:
 - a. Water services – backlog will be reduced by over 1000 households in 2023/24 to just 850 households. These households are largely found in ‘reception areas’ and will need to be moved to formal areas so that they can receive services.
 - b. Sanitation services – backlog will be reduced by over 2000 households over the MTREF. The number of households with no toilet provision will be reduced by 900 households in 2023/24.
3. The budget provides for 2 000 households to be registered as indigent in 2023/24, and therefore entitled to receiving Free Basic Services. The number is set to increase to 5 000 households given the rapid rate of in-migration to the district, especially by poor people seeking economic opportunities.
4. It is anticipated that these Free Basic Services will cost the municipality R72 million in 2023/24, increasing to R79 million in 2024/25. This is covered by the municipality’s equitable share allocation from national government.
5. In addition to the Free Basic Services, the district also ‘gives’ households R15 million in free services in 2023/23, and it increases to R23 million in 2024/25. This ‘tax expenditure’ needs to be seen within the context of the municipality’s overall revenue management strategy – the more the municipality gives away, the less there is available to fund other services. Currently, the ‘free services’ represent about 7.7 per cent of total operating revenue.

2 Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

Section 53 of the MFMA requires the mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition, Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of Municipal Manager, processes are in progress to ensure that committee is chaired by the Municipal Mayor for Finance.

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

- that the process followed to compile the budget complies with legislation and good budget practices.
- that there is proper alignment between the policy and service delivery priorities set out in the City's IDP and the budget, taking into account the need to protect the financial sustainability of municipality.
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2011) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required IDP and budget time schedule on 31 August 2023. Key dates applicable to the process were:

July 2023– Prepare joint process plan for IDP, PMS and Budget and advertise draft IDFP review.

August 2023–Submit process plan to IDP forum, portfolio committees and council. Liaise with national and provincial governments for planning and budgeting process.

September 2023– Assessment of objectives, strategies and projects against cross cutting issues. Assessment of alignment of IDP strategies & projects for medium term in relation to NSDP and PGDF. Determine funding availability & requirements per sector plan and where relevant prepare business plan/ terms of reference and roll out accordingly;

October 2023 – Review and confirm objectives, strategies and projects at IDPRF workshop. Review capital, institutional, operational, maintenance projects. Estimate available resources and provide guidance for way forward for budgeting;

November 2023 –Submit revised projects to Treasury. Submit first Draft IDP to IDP steering committee and council for in principle approval

December 2023 – Submit budget instructions and 2023/23 budget framework to all relevant persons. Submit draft IDP to COGTA for assessment. Preparation of summary of available funds (internal and external);

January 2024 - Council considers the 2018/2019 Mid-year Review and Adjustments Budget;

February 2024 – Assess financial feasibility of proposed new projects based on existing and potential funds. Consideration of draft budget;

March 2024 - Tabling in Council of the draft 2023/24 IDP and 2024/25 Draft MTREF for public consultation;

April 2024 – Public consultation;

May 2024 –Finalization of the 2023/24 IDP and 2024/25 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of

Revenue Bill and financial framework; and tabling of the 2024/25 MTREF before Council for consideration and approval.

There were no deviations from the key dates set out in the Budget Time Schedule tabled in Council. These are the IDP and Budget process schedule for individual municipalities and both municipalities did not deviate from processes.

2.1.2 IDP and Service Delivery and Budget Implementation Plan

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

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

The IDP has been taken into a business and financial planning process leading up to the 2023/24 budget, based on the approved 2023/24 Budget, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2023/24 budget, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year performance against the 2023/24 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

2.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2024/25 budget, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2024/25 budget:

- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation)
- Performance trends
- The approved 2023/24 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Investment possibilities
- The need for tariff increases versus the ability of the community to pay for services.
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 89 and 91 has been taken into consideration in the planning and prioritisation process.

2.1.4 Community Consultation

The final 2024/25 MTREF as tabled before Council on 31 March 2024 for community consultation was published on the municipality's website, and hard copies were made available at customer care offices, municipal notice boards and various libraries. The opportunity to give electronic feedback was also communicated on the District's website, and the district's call centre was engaged in collecting inputs via e-mail and SMS.

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

Ward Committees were utilised to facilitate the community consultation process from 13 to 29 April 2022 and included numerous public briefing sessions. The applicable dates and venues were published in all the local newspapers and on average attendance over 50 was recorded per meeting. Other stakeholders involved in the consultation included churches, non-governmental institutions and community-based organisations.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects were addressed, and where relevant considered as part of the finalisation of the 2024/25 MTREF. Feedback and responses to the submissions received are available on request.

2.2 Overview of alignment of annual budget with IDP

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

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

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

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

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

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIS);
- Accelerated and Shared Growth Initiative (ASGISA);
- National Development Plan (NDP)
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP but must also conduct its affairs in a manner which is consistent with its IDP.

To ensure integrated and focused service delivery between all spheres of government it was important for the district to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

1. Provision of quality basic services and infrastructure which includes, amongst others:
 - o Provide water;
 - o Provide sanitation;
2. Economic growth and development that leads to sustainable job creation by:
 - o Ensuring there is a clear structural plan for the district;
 - o Ensuring planning processes function in accordance with set timeframes.
 - o Facilitating the use of labor intensive approaches in the delivery of services and the building of infrastructure.
- 3.1 Fight poverty and build clean, healthy, safe and sustainable communities:
 - o Effective implementation of the Indigent Policy;
 - o Ensuring all wastewater treatment works are operating optimally;
 - o Promote environmental sustainability by protecting wetlands and key open spaces.
- 3.2 Integrated Social Services for empowered and sustainable communities
 - o Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly coordinated with the informal settlements upgrade programme
4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:
 - o Optimizing effective community participation in the ward committee system; and
 - o Implementing Batho Pele in the revenue management strategy.
- 5.1 Promote sound governance through:
 - o Publishing the outcomes of all tender processes on the municipal website
- 5.2 Ensure financial sustainability through:
 - o Reviewing the use of contracted services
 - o Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan
- 5.3 Optimal institutional transformation to ensure capacity to achieve set objectives.
 - o Review of the organizational structure to optimize the use of personnel.

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the district. The five-year programme responds to the development challenges and opportunities faced by the district by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

In addition to the five-year IDP, the district undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the district to promote greater equity and enhanced opportunity.

The 2022/23 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 12 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

Choose name from list - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand												
Control Accounts	Responsive, accountable, effective and efficient local government	9	–	273	7 044	4 727	–	3 073	3 073	–	–	–
Increase income	Responsive, accountable, effective and efficient local government	9	–	676	136	1 277	–	–	–	–	–	–
TakeOn Balances	Responsive, accountable, effective and efficient local government	9	–	822 287	807 642	884 890	8 453	2 364	2 364	11 455	12 119	12 788
To ensure access to free basic water	A comprehensive, responsive and sustainable social protection system	13	–	–	–	–	(60 605)	(60 606)	(60 606)	(60 606)	(64 241)	(67 878)
To ensure access to free basic water	Responsive, accountable, effective and efficient local government	9	–	–	–	4 000	–	–	–	–	–	–
To ensure full compliance with MFMA	Responsive, accountable, effective and efficient local government	9	–	310 102	396 437	574 791	621 440	675 014	675 014	478 435	447 144	469 489
To improve revenue collection	A comprehensive, responsive and sustainable social protection system	13	–	(5 619)	(6 483)	684	–	–	–	–	–	–
To improve revenue collection	Responsive, accountable, effective and efficient local government	9	–	196 559	186 280	233 604	1 173 582	1 132 587	1 132 587	1 125 047	1 185 730	1 248 990
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	1 324 279	1 391 056	1 703 973	1 742 870	1 752 433	1 752 433	1 554 332	1 580 752	1 663 389

Table 11 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

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

Strategic Objective	Goal	Goal Code	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	
R thousand													
Financial Viability	Financial Management			—	—	61	430	682	682		—	—	
Good Governance	Human Resources Management			386,804	249,218	314,336	548,395	518,078	518,078	502,582	527,711	554,097	
Good Governance	Communication Services			35,712	38,212	74,618	62,875	64,225	64,225	4,449	4,672	4,905	
Good Governance	Public Participation			—	—	4,553	6,951			100	105	110	
Good Governance	Support Services			—	—	—	—	3,456	3,456		—	—	
Good Governance	Strategic Planning			—	—	—	—				—	—	
Good Governance	Shared Services Strategy			59,122	63,261	—	—				—	—	
Institutional Transformation	Skills Training & Development			—	—	—	—				—	—	
Institutional Transformation	Employee Assistance Programmes			52	56	—	—	320	320		—	—	
Social Development	Occupational Health & Safety			—	—	—	—				—	—	
Social Development	Special Programmes			—	—	—	—				—	—	
Social Development	Culture			—	—	—	—				—	—	
Social Development	Sports Development			—	—	—	—				—	—	
Economic Development	Agricultural Market			48,562	51,961	53,341	57,624				—	—	
Economic Development	Local Economic Development				—			45,129	45,129	56,831	59,673	62,656	
Economic Development	Tourism Marketing			19,891	21,283					14,287	15,001	15,751	
Economic Development	Tourism Development				—						—	—	
Environmental Protection	Climate Change Vulnerability Assessment			7,256	7,763						—	—	
Environmental Protection	Environmental Services				—			1,176	1,176	926	972	1,020	
Environmental Protection	Waste Management				—						—	—	
Environmental Protection	Coastal Management			0	0						—	—	
Environmental Protection	Air Quality Management				—						—	—	
Safety & Security	Fire Fighting				—		258,778				—	—	
Safety & Security	Disaster Management			1,238	1,324			—	—	—	—	—	
Safety & Security	Security Measures			16,652	17,818					17,000	17,850	18,743	
Safety & Security	Crime Prevention Programmes				—						—	—	
Sustainable Services	Sanitation			83,450	89,292	213,485	112,758	59,552	59,552	121,072	127,125	133,481	
Sustainable Services	VIP Toilets				—		—	40,759	40,759	48,000	50,400	52,920	
Sustainable Services	Water Distribution			709,384	759,041	597,875	301,406	516,280	516,280	562,696	590,831	620,373	
Safety & Security				—	—	—	—	—	—	—	—	—	
Safety & Security				—	—	—	—	—	—	—	—	—	
Sustainable Services				—	—	—	—	—	—	—	—	—	
Sustainable Services				—	—	—	—	—	—	—	—	—	
xxxx				—	—	—	—	—	—	—	—	—	
xxxx				—	—	—	—	—	—	—	—	—	
xxxx				—	—	—	—	—	—	—	—	—	
xxxx				—	—	—	—	—	—	—	—	—	
Allocations to other priorities				—	—	—	—	—	—	—	—	—	
Allocations to other priorities				1	1,368,123	1,299,230	1,258,269	1,349,217	1,249,656	1,249,656	1,327,943	1,394,340	1,464,057
Total Expenditure				1	1,368,123	1,299,230	1,258,269	1,349,217	1,249,656	1,249,656	1,327,943	1,394,340	1,464,057

2.3 Measurable performance objectives and indicators

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

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

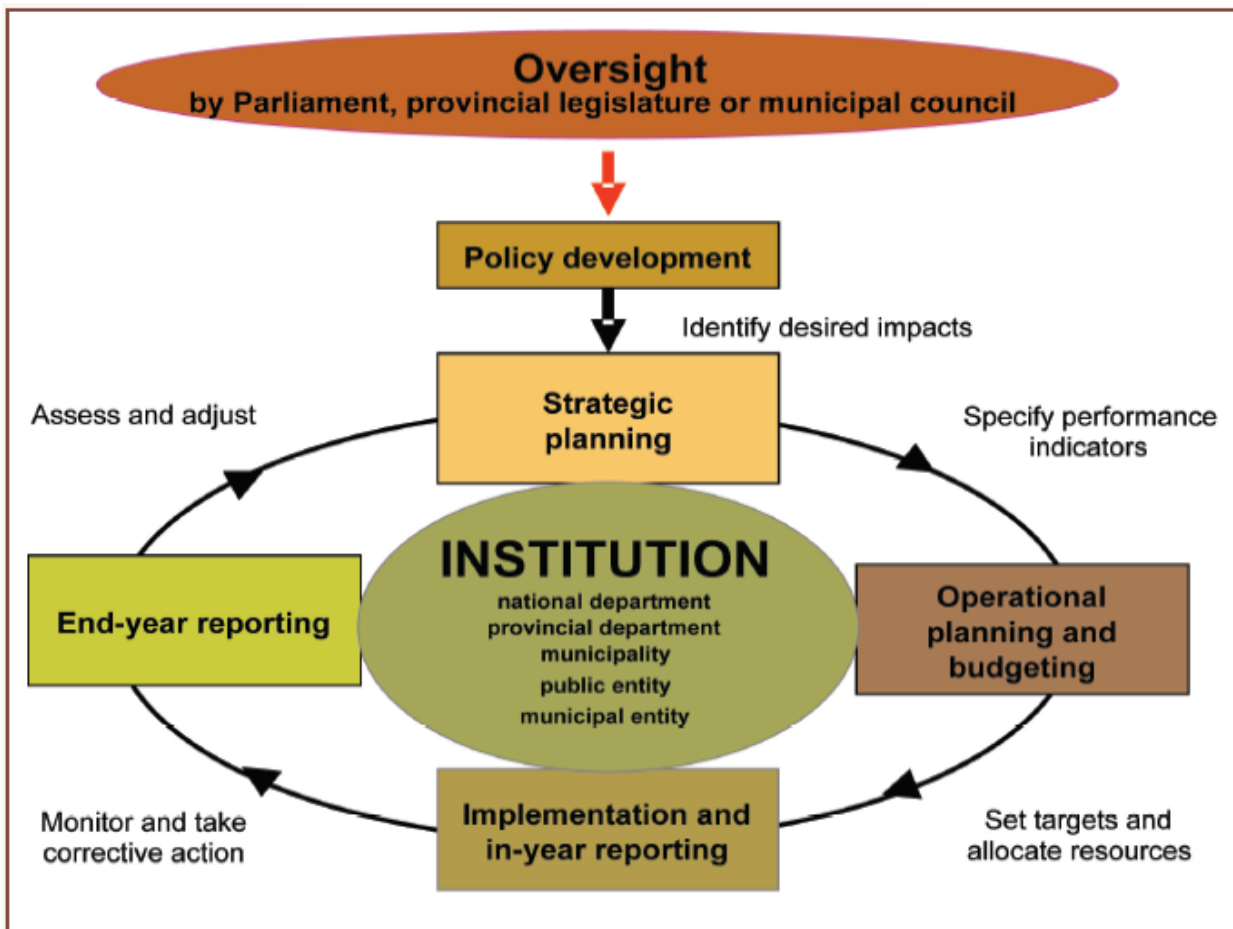


Figure 1 Planning, budgeting, and reporting cycle

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

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

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

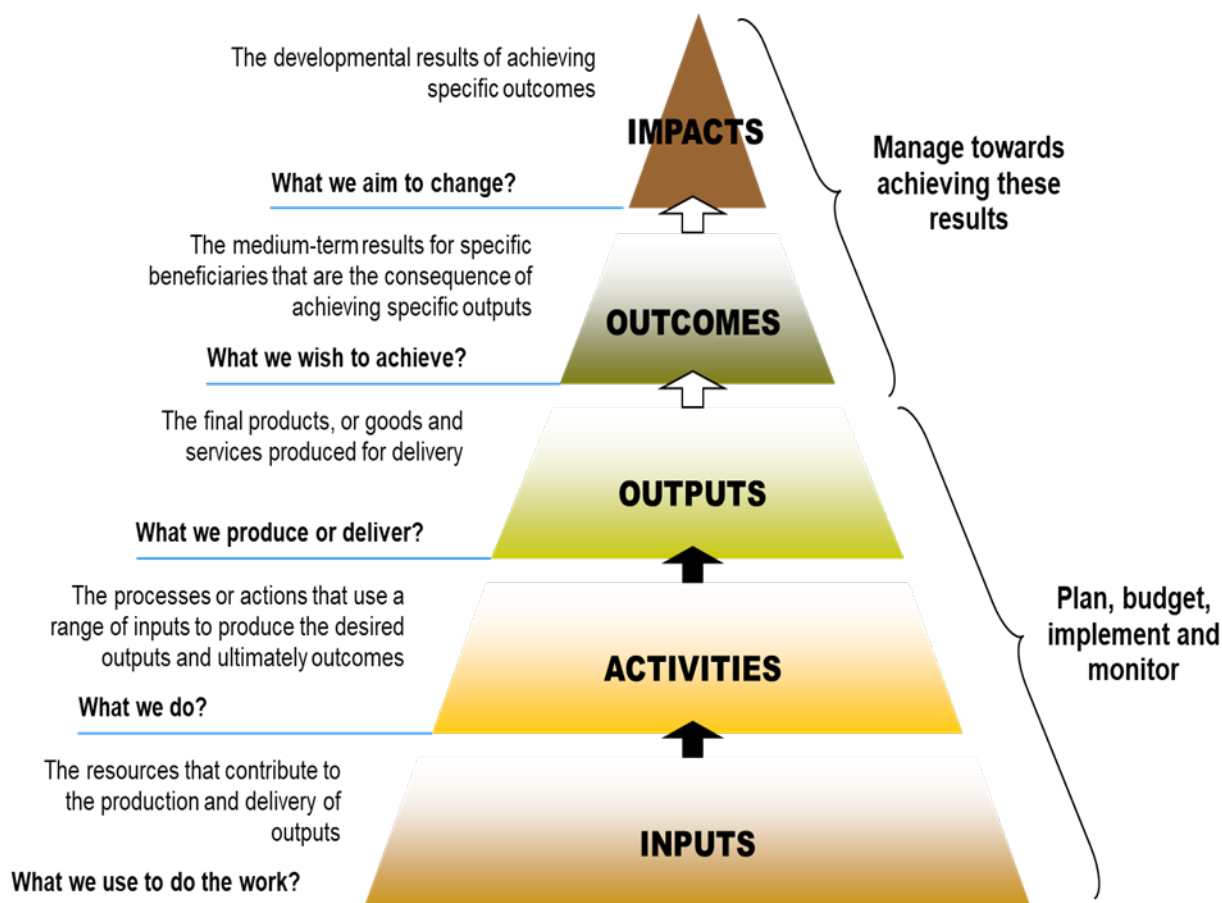


Figure 2 Definition of performance information concepts.

Table 31 MBRR Table SA7 - Measurable performance objectives

DC21 Ugu - Supporting Table SA7 Measureable performance objectives										
Description	Unit of measurement	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Vote 1 - vote name										
Function 1 - (name)										
Executive and council		4 523 000	4 468 000		3 791 550	3 791 550	3 791 550	3 981 128	4 180 184	4 389 193
Good Governance					-	-	-	-	-	-
					-	-	-	-	-	-
Finance and administration		479 165 423	-		8 778 785	8 778 785	8 778 785	9 217 725	9 678 611	10 162 541
Financial Viability								-	-	-
								-	-	-
Internal audit								-	-	-
Good Governance								-	-	-
								-	-	-
Function 2 - (name)								-	-	-
Sub-function 1 - (name)								-	-	-
Insert measure/s description								-	-	-
								-	-	-
Sub-function 2 - (name)								-	-	-
Insert measure/s description								-	-	-
								-	-	-
Sub-function 3 - (name)								-	-	-
Insert measure/s description								-	-	-
								-	-	-
Vote 2 Community and public safety										
Function 1 - (name)								-	-	-
Community and social services								-	-	-
Good Governance		-	745 000		9 521 259	9 521 259	9 521 259	9 997 322	10 497 188	11 022 048
								-	-	-
Sub-function 2 - (name)								-	-	-
Insert measure/s description								-	-	-
								-	-	-
Sub-function 3 - (name)								-	-	-
Insert measure/s description								-	-	-
								-	-	-
Function 2 - (name)								-	-	-
Sub-function 1 - (name)								-	-	-
Insert measure/s description								-	-	-
								-	-	-
Sub-function 2 - (name)								-	-	-
Insert measure/s description								-	-	-
								-	-	-
Sub-function 3 - (name)								-	-	-
Insert measure/s description								-	-	-
								-	-	-
Vote 3 Economic and environmental services										
Function 1 - (name)								-	-	-
Planning and development		17 250	400 000		512 020	512 020	512 020	537 621	564 502	592 727
Local Economic Development								-	-	-
								-	-	-
Environmental protection		17 250	20 708 678		20 462 484	20 462 484	20 462 484	21 485 608	22 559 889	23 687 883
Environmental Services								-	-	-
								-	-	-
Sub-function 3 - (name)								-	-	-
Insert measure/s description								-	-	-
								-	-	-
Function 2 - (name)								-	-	-
Sub-function 1 - (name)								-	-	-
Insert measure/s description								-	-	-
								-	-	-
Vote 4 Trading services										
Function 1 - (name)								-	-	-
Water management		568 241 686	1 088 562 629		1 027 178 644	1 027 178 644	1 027 178 644	1 078 537 576	1 132 464 455	1 189 087 677
Sustainable Services					-	-	-	-	-	-
					-	-	-	-	-	-
Waste water management		104 245 105	108 815 587		149 412 193	149 412 193	149 412 193	156 882 803	164 726 943	172 963 290
And so on for the rest of the Votes										

The following table sets out the municipality's main performance objectives and benchmarks for the 2023/22 MTREF.

Table 12 MBRR Table SA8 - Performance indicators and benchmarks

Choose name from list - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	1.4%	1.8%	0.5%	0.7%	0.6%	0.6%	1.2%	0.6%	0.6%	0.6%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	1.6%	2.2%	0.6%	0.6%	0.3%	0.3%	1.3%	0.4%	0.4%	0.4%
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%
<u>Safety of Capital</u>											
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%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	0.4	0.2	0.3	1.2	2.0	2.0	0.3	(1.6)	(2.9)	(4.1)
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.4	0.2	0.3	1.2	2.0	2.0	0.3	(1.6)	(2.9)	(4.1)
Liquidity Ratio	Monetary Assets/Current Liabilities	0.3	0.1	0.2	1.1	2.0	2.0	0.3	(1.2)	(2.3)	(3.2)
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0.0%	279.2%	551.8%	66.5%	102.9%	102.9%	1078.5%	80.0%	109.9%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		0.0%	279.2%	551.8%	66.5%	102.9%	102.9%	1078.5%	80.0%	109.9%	110.1%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	10.2%	7.9%	8.1%	5.4%	3.1%	3.1%	9.1%	16.6%	18.1%	18.7%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within' MFMA' s 65(e))										
Creditors to Cash and Investments		2525.9%	7.3%	4.9%	73.8%	32.4%	32.4%	3.9%	-143.1%	-47.7%	-24.3%
<u>Other Indicators</u>											
Electricity Distribution Losses (2)	Total Volume Losses (kW) technical										
	Total Volume Losses (kW) non technical										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Volumes :System input	Bulk Purchase										
	Water treatment works										
	Natural sources										
	Total Volume Losses (kl)										
Water Distribution Losses (2)	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	37.4%	39.7%	43.2%	31.8%	20.1%	20.1%	45.9%	21.5%	21.6%	21.4%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	37.4%	39.7%	44.2%	32.7%	30.4%	30.4%		21.5%	21.8%	19.9%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	6.8%	10.6%	8.1%	3.2%	1.6%	1.6%		1.6%	1.9%	1.7%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	22.8%	24.0%	19.6%	17.6%	16.1%	16.1%	18.1%	17.2%	15.7%	14.2%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	–	–	102.7	103.7	103.7	103.7	70.4	104.8	104.0	109.4
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	17.0%	11.1%	13.7%	7.4%	3.1%	3.1%	15.2%	34.0%	40.6%	42.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.3	63.9	131.4	14.3	27.3	27.3	168.1	9.3	21.9	34.6

2.3.1 Performance indicators and benchmarks

2.3.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long-term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness

and financial position. As with all other municipalities, Ugu District Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the district's debt portfolio is made of historic annuity loans. The following financial performance indicators have formed part of the compilation of the 2022/23 MTREF:

- *Borrowing to asset ratio* is a measure of the long-term borrowing as a percentage of the total asset base of the municipality. The ratio is 1 per cent since the loans outstanding are negligible compared to capital expenditure.
- *Capital charges to operating expenditure* is a measure of the cost of borrowing in relation to the operating expenditure. The cost of borrowing has steadily increased from 6.2 per cent in 2023/22 to 2.4 per cent in 2022/23. This decrease can be attributed to the discontinuation of raising of loans to fund portions of the capital programme by the district. It is estimated that the cost of borrowing as a percentage of the operating expenditure will reach 2.3 per cent in 2024/25 and will then be at that rate until the end of the MTREF.
- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. The average over MTREF is 0 per cent which substantiates the above-mentioned statement that the district has not engaged in any borrowing.

2.3.1.2 Safety of Capital

- *The debt-to-equity ratio* is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors, overdraft and tax provisions as a percentage of funds and reserves. The district is not exposed to any risk as the debt as it has not funded any of its operations using loans.
- *Consequently the gearing ratio, which is a ratio* that measures the total long term borrowings over funds and reserves, has remained zero per cent between 2022/23 and 2024/25.

2.3.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the district has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2022/23 MTREF the current ratio is 1.8 in the 2024/25 financial year 2.0 and 2.1 in 2024/25 financial year. Going forward it will be necessary to maintain these levels.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2023/22 financial year the ratio was 0.3 and as part of the financial planning strategy it has improved to 0.6 in the 2022/23 financial year. This needs to be considered a pertinent risk for the municipality as any under collection of revenue will translate into serious financial challenges for the district. As part of the longer-term financial planning objectives this ratio will have to be set at a minimum of 1.

2.3.1.4 Revenue Management

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

2.3.1.5 *Creditors Management*

- The district has struggled to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has failed to ensure a 100 per cent compliance rate to this legislative obligation. This has had a unfavorable impact on suppliers' perceptions of risk of doing business with the district, which is expected to harm the district's chances at getting more competitive pricing of tenders, as suppliers are discouraged to compete for the district's business.

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

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

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in MBRR A10 (Basic Service Delivery Measurement).

Note that the number of households in informal areas that receive free services and the cost of these services (e.g. the provision of water through standpipes, water tankers, etc) are not taken into account in the table noted above.

2.4 Overview of budget related policies

Please Refer to Attached Policies

2.5 Overview of budget assumptions

2.5.1 External factors

During the first quarter of the 2022 calendar year the South African economy is projected to grow by 2.1% in the first quarter of 2022 (January–March), translating into an annualised growth rate of 4,8%. This follows a revised 1,8% (annualised: 5,1%) rise in real gross domestic product (GDP) in the fourth quarter of 2020.

Owing to the economic slowdown, as well as the severe impact of COVID-19 lead to the financial resources being limited thus resulting to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the district's finances.

2.5.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2022/23 MTREF:

- National Government macro-economic targets.
- The general inflationary outlook and the impact on district's residents and businesses.
- The impact of municipal cost drivers.
- The increase in prices for bulk electricity and water; and
- The increase in the cost of remuneration. Employee related costs comprise 32 per cent of total operating expenditure in the 2023/24 MTREF and therefore the increase was contained within the inflation places a to ensure that the employee related costs do not continue to accelerate upward pressure on the expenditure budget. The wage agreement SALGBC is to be concluded with the municipal workers unions on 31 July 2023.

2.5.3 Collection rate for revenue services

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

The rate of revenue collection is currently expressed as a percentage (80 per cent) of annual billings. Cash flow is assumed to be 75 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

2.5.4 Growth or decline in tax base of the municipality.

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

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition, the change in the number of poor households

influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

2.5.5 Salary increases

The collective agreement regarding salaries/wages which will come into operation on the 1st of July 2022 had not yet been concluded as at the adoption of the budget by council and thus a general inflation rate increase on the salary was applied.

2.5.6 Impact of national, provincial and local policies

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

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

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

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

It is estimated that a spending rate of at least 100 per cent is achieved on operating expenditure and 100 per cent on the capital programme for the 2023/24 MTREF of which performance has been factored into the cash flow budget.

2.6 Overview of budget funding

In the previous financial years, the municipality's budget had been declared as unfunded by the Provincial Treasury. When assessing whether a budget is funded or not the cashflows of the municipality are assessed cumulatively. The cumulative expenditure/debt which was not met by the income generated/ collected by the municipality has led to the budget being unfunded. Unfortunately, this position cannot be rectified in one financial year and requires a strategic turnaround in the municipal operations. The current budget funding position is that it is funded in as far as the current year is concerned but not funded in the opening balances. This is because the municipality has significant creditors opening balance of R602.5 million and an uncollected gross R862 million debtors opening balance. There are also no formal payment plans with creditors to deal with the prior year debts. Which means Provincial Treasury assesses our creditors as all due in the current year.

The municipality has been in the process of rectifying this unfunded budget by developing a funding plan and other turnaround strategies. The aim is to devise strategies that will assist with collecting the outstanding debtors balance and negotiate favorable settlement terms with creditors. Thus, the municipality's budget will be supplemented by a funding plan until it is fully funded.

2.6.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Table 13 Breakdown of the operating revenue over the medium-term

Choose name from list - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand	1										
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	344 026	337 897	390 940	361 232	382 906	382 906	257 647	440 342	419 912	440 043
Service charges - Waste Water Management	2	108 875	107 049	111 917	112 683	123 951	123 951	81 269	142 544	136 136	142 806
Service charges - Waste Management	2	-	-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services		1 117	1 222	2 218	-	2 843	2 843	2 927	2 983	3 120	3 260
Agency services		-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		42 719	49 824	56 741	37 768	66 903	66 903	45 940	76 939	80 478	84 099
Interest earned from Current and Non Current Assets		8 268	7 470	10 841	11 605	12 424	12 424	8 320	13 033	13 633	14 246
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		2 163	2 241	2 286	2 264	1 737	1 737	877	1 822	1 905	1 991
Licence and permits		-	-	-	-	-	-	-	-	-	-
Operational Revenue		829	703	15 805	8 453	2 364	2 364	1 335	2 480	2 594	2 711
Non-Exchange Revenue											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-
Licences or permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		571 487	533 163	599 370	753 871	798 827	798 827	476 782	687 107	766 552	808 903
Interest		-	-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		148	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		1 298	2 519	3 744	-	-	-	-	-	-	-
Other Gains		1 339	38	1 600	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and cont		1 082 268	1 042 126	1 195 461	1 287 876	1 391 956	1 391 956	875 098	1 367 249	1 424 329	1 498 059

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The district derives most of its operational revenue from the provision of goods and services such as water and, sanitation.

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

- Growth in the city and economic development.
- Revenue management and enhancement.
- Achievement of a 95 per cent annual collection rate for consumer revenue.
- National Treasury guidelines.
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval.
- Achievement of full cost recovery of specific user charges.
- Determining tariff escalation rate by establishing/calculating revenue requirements.
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels.

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

The proposed tariff increases for the 2024/25 MTREF on the different revenue categories are:

Table 14 Proposed tariff increases over the medium-term

1. RESIDENTIAL - PROPERTIES ZONED AS SPECIAL AND GENERAL RESIDENTIAL			
Consumption range	Current tariff (R)	Proposed Tariff (15%)	Difference (Increase)
Tariff per kl	R19.80	R22.77	
0-30 kl	R594.00	R683.10	R89.10
0-39 kl	R772.20	R888.03	R115.83
40-51 kl	R1 151.04	R1 323.75	R172.71
>52 kl	R1 471.08	R1 691.76	R220.68
2. RESIDENTIAL - MULTI-UNIT RESIDENTIAL - ESTATES AND OTHER BULK USERS			
Consumption range	Current tariff (R)	Proposed Tariff (15%)	Difference (Increase)
Tariff per kl	R19.80	R22.77	
0-30 kl	R594.00	R683.10	R89.10
>30KL	R1 485.25	R1 708.04	R222.79
3. NON-RESIDENTIAL - COMMERCIAL, INDUSTRIAL, OR OTHER			
Consumption range	Current tariff (R)	Proposed Tariff (15%)	Difference (Increase)
Tariff per kl	R20.86	R23.99	
0-30 kl	R625.80	R719.67	R93.87
>30KL	R1 614.55	R1 856.73	R242.18

CATEGORY FOR WASTE WATER TARIFFS	CURRENT TARIFFS 2023/2022	PROPOSED TARIFFS 2022/2024	PROPOSED % INCREASE
Sanitation (All Areas)			
All categories			
Charge per kilolitre (water consumption)	R5.45	R5.80	6.50%

The tables below provide detail investment information and investment particulars by maturity.

Table 15 MBRR SA15 – Detail Investment Information

DC21 Ugu - Supporting Table SA15 Investment particulars by type										
Investment type	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
Parent municipality										
Securities - National Government	1									
Listed Corporate Bonds										
Deposits - Bank		63 753	56 651	20 131	90 000	99 000	99 000	108 900	119 790	131 769
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total		63 753	56 651	20 131	90 000	99 000	99 000	108 900	119 790	131 769
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total			-	-	-	-	-	-	-	-
Consolidated total:		63 753	56 651	20 131	90 000	99 000	99 000	108 900	119 790	131 769

Table 16 MBRR SA16 – Investment particulars by maturity

DC21 Ugu - Supporting Table SA16 Investment particulars by maturity														
Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID	1	Yrs/Months												
<u>Parent municipality</u>														
Absa		Call account	Call account		fixed		0	N/A	Call Account	32 240		(30 924)		1 316
Absa		Call account	Call account		fixed		0	N/A	Call Account	23 317		(22 596)		721
First National Bank		Call account	Call account		fixwd		0	N/A	Call Account	94			18 085	18 179
														-
														-
Municipality sub-total										55 651		(53 520)	18 085	20 216
<u>Entities</u>														
														-
														-
														-
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	1									55 651		(53 520)	18 085	20 216

2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2023/24 medium-term capital programme:

Table 17 Sources of capital revenue over the MTREF

Choose name from list - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
EXPENDITURE:	1									
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		(202 169)	(265 287)	(292 748)	56 481	165 671	165 671	46 591	51 917	54 600
Expanded Public Works Programme Integrated Gra	-	(4 468)	(3 611)	(3 319)	-	3 606	3 606	(2 864)	-	-
Local Government Financial Management Grant	-	(1 800)	(1 750)	(1 950)	1 950	1 950	1 950	1 900	2 000	2 200
Municipal Disaster Recovery Grant	-	-	-	(2 000)	44 619	44 619	44 619	-	-	-
Municipal Disaster Relief Grant	-	(745)	(745)	(745)	-	-	-	-	-	-
Municipal Infrastructure Grant	-	(191 399)	(255 524)	(277 374)	7 053	66 021	66 021	44 567	46 795	49 135
Rural Road Asset Management Systems Grant	-	(3 757)	(3 657)	(7 360)	2 859	2 859	2 859	2 988	3 122	3 265
Water Services Infrastructure Grant	-	-	-	-	-	46 616	46 616	-	-	-
Provincial Government:		(4 700)	(4 700)	(4 700)	-	1 873	1 873	-	-	-
KwaZulu-Natal	-	(4 700)	(4 700)	(4 700)	-	1 873	1 873	-	-	-
KwaZulu-Natal_Infrastructure_Infrastructure_RECEIPTS										
Water Services Operating Subsidy										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total operating expenditure of Transfers and Grants:		(206 869)	(269 987)	(297 448)	56 481	167 544	167 544	46 591	51 917	54 600

The following table is a detailed analysis of the district's Capital transfers and grant receipts.

Table 19 MBRR Table SA 18 - Capital transfers and grant receipts

Choose name from list - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
RECEIPTS:	1, 2									
<u>Operating Transfers and Grants</u>										
National Government:		569 801	540 697	605 090	750 052	800 274	800 274	734 435	789 136	832 286
EPWP Incentive	-	4 468	3 611	3 319	-	3 606	3 606	(3 606)	-	-
Finance Management	-	1 800	1 750	1 950	1 950	1 950	1 950	1 950	1 950	2 088
Local Government Equitable Share	-	557 282	524 364	585 146	693 571	630 083	630 083	667 211	704 998	744 121
Municipal Disaster Recovery Grant	-	-	2 000	2 000	44 619	44 619	44 619	-	-	-
Municipal Drought Relief	-	745	745	745	-	-	-	-	-	-
Municipal Infrastructure Grant	-	-	-	-	7 053	70 541	70 541	66 021	79 200	82 955
Rural Road Asset Management Systems Grant	-	5 506	8 227	11 930	2 859	2 859	2 859	2 859	2 988	3 122
Water Services Operating Subsidy	-	-	-	-	-	46 616	46 616	-	-	-
Provincial Government:		15 385	41 085	43 685	-	-	-	-	-	-
KwaZulu-Natal_Capacity Building and Other_Capac	-	15 385	15 385	15 385	-	-	-	-	-	-
KwaZulu-Natal_Infrastructure_Infrastructure_RECEI	-	-	25 700	28 300	-	-	-	-	-	-
Water Services Operating Subsidy										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Operating Transfers and Grants	5	585 186	581 782	648 775	750 052	800 274	800 274	734 435	789 136	832 286
<u>Capital Transfers and Grants</u>										
National Government:		254 175	340 650	765 674	454 994	402 573	402 573	275 321	312 767	315 017
Municipal Infrastructure Grant (MIG)	-	191 399	255 524	532 898	219 838	200 417	200 417	204 937	225 017	225 017
Municipal Disaster Recovery Grant	-	-	-	-	85 156	85 156	85 156	-	-	-
Regional Bulk Infrastructure	-	12 776	12 776	12 776	-	-	-	-	-	-
Water Services Infrastructure Grant	-	50 000	72 350	220 000	150 000	117 000	117 000	70 384	87 750	90 000
Other capital transfers/grants [insert desc]										
Provincial Government:		15 385	15 385	15 385	-	-	-	-	-	-
KwaZulu-Natal_Capacity Building and										
Other_Capacity Building and Other_RECEIPTS	-	15 385	15 385	15 385	-	-	-	-	-	-
KwaZulu-Natal_Infrastructure_Infrastructure_RECEIPTS	-	-	25 700	28 300	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Capital Transfers and Grants	5	269 560	356 035	781 059	454 994	402 573	402 573	275 321	312 767	315 017
TOTAL RECEIPTS OF TRANSFERS & GRANTS		854 746	937 817	1 429 834	1 205 046	1 202 847	1 202 847	1 009 756	1 101 903	1 147 303

2.6.3 Cash Flow Management

Table 20 MBRR Table A7 - Budget cash flow statement

Choose name from list - Table A7 Budgeted Cash Flows

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		-	-	-	-	-	-	-	-	-	-
Service charges		-	1 245 538	2 787 156	315 135	524 681	524 681	3 686 896	468 924	614 767	645 017
Other revenue		-	-	-	120 425	112 817	112 817	-	(103 384)	(111 943)	(118 313)
Transfers and Subsidies - Operational	1	37 781	2 623 352	6 802 723	756 371	803 347	803 347	7 824 318	734 435	789 136	832 286
Transfers and Subsidies - Capital	1	5 479	277 190	283 796	454 994	402 573	402 573	288 699	275 321	312 767	315 017
Interest		-	-	-	11 605	12 424	12 424	-	12 424	13 046	13 698
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(22 268)	734 533	1 828 318	(1 274 405)	(1 103 159)	(1 103 159)	(2 542 981)	(649 290)	(677 680)	(666 575)
Interest		-	-	-	(7 222)	(7 575)	(7 575)	-	(4 575)	(3 938)	(3 741)
Transfers and Subsidies	1	-	-	-	(8 000)	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		20 993	4 880 612	11 701 993	368 904	745 108	745 108	9 256 932	733 855	936 154	1 017 390
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	(330)
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		-	(310 926)	(602 959)	521 069	414 549	414 549	602 959	(334 719)	(338 381)	(356 567)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(310 926)	(602 959)	521 069	414 549	414 549	602 959	(334 719)	(338 381)	(356 898)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-
NET INCREASE/(DECREASE) IN CASH HELD		20 993	4 569 686	11 099 034	889 973	1 159 657	1 159 657	9 859 890	399 135	597 773	660 493
Cash/cash equivalents at the year begin:	2	-	-	-	-	-	-	-	13 086	412 222	1 009 994
Cash/cash equivalents at the year end:	2	20 993	4 569 686	11 099 034	889 973	1 159 657	1 159 657	9 859 890	412 222	1 009 994	1 670 487

Table 21 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation.

Choose name from list - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	20 993	4 569 686	11 099 034	889 973	1 159 657	1 159 657	9 859 890	412 222	1 009 994	1 670 487
Other current investments > 90 days		57 301	(4 539 145)	(11 087 135)	(338 850)	(419 904)	(419 904)	(9 870 862)	(90)	(394 703)	(981 677)
Non current Investments	1	0	0	0	-	-	-	0	-	-	-
Cash and investments available:		78 294	30 541	11 899	551 123	739 753	739 753	(10 971)	412 132	615 292	688 810
Application of cash and investments											
Unspent conditional transfers		-	-	-	2 500	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	530 243	320 940	528 412	601 862	312 067	312 067	345 815	(617 246)	(536 312)	(471 923)
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		530 243	320 940	528 412	604 362	312 067	312 067	345 815	(617 246)	(536 312)	(471 923)
Surplus(shortfall) - Excluding Non-Current Creditors Trf		(451 949)	(290 399)	(516 513)	(53 239)	427 686	427 686	(356 786)	1 029 378	1 151 604	1 160 733
Creditors transferred to Debt Relief - Non-Current portion		-	-	-	-	-	-	-	-	-	-
Surplus(shortfall) - Including Non-Current Creditors Trf		(451 949)	(290 399)	(516 513)	(53 239)	427 686	427 686	(356 786)	1 029 378	1 151 604	1 160 733

Table 22 MBRR SA10 – Funding compliance measurement

Choose name from list Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	20 993	4 569 686	11 099 034	889 973	1 159 657	1 159 657	9 859 890	412 222	1 009 994	1 670 487
Cash + investments at the yr end less applications - R'000	18(1)b	2	(451 949)	(290 399)	(516 513)	(53 239)	427 686	427 686	(356 786)	1 029 378	1 151 604	1 160 733
Cash year end/monthly employee/supplier payments	18(1)b	3	0.3	63.9	131.4	14.3	27.3	27.3	168.1	9.3	21.9	34.6
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	67 859	95 795	247 866	633 114	931 518	931 518	150 259	778 724	831 515	899 535
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(7.8%)	7.0%	(11.8%)	1.0%	(6.0%)	(39.1%)	9.0%	(10.6%)	(1.2%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	0.0%	271.0%	537.2%	89.3%	122.6%	122.6%	1062.2%	62.1%	89.5%	89.5%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	0.0%	0.0%	0.0%	15.7%	5.4%	5.4%	14.6%	4.9%	5.4%	5.4%
Capital payments % of capital expenditure	18(1)c:19	8	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(54.4%)	262.9%	90.4%	(3.1%)	0.0%	(13.7%)	7.7%	(32.7%)	12.3%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	(3.4%)	27.4%	(17.2%)	1.3%	0.0%	36.8%	(26.9%)	4.6%	5.7%
R&M % of Property Plant & Equipment	20(1)(vi)	13	12.2%	13.2%	8.0%	15.2%	11.0%	11.0%	15.0%	15.4%	13.0%	0.0%
Asset renewal % of capital budget	20(1)(vi)	14	(1227.6%)	3313.1%	1826.7%	0.0%	0.0%	0.0%	0.0%	11.1%	11.1%	11.2%

2.7 Expenditure on grants and reconciliations of unspent funds

Table 23 MBRR SA19 - Expenditure on transfers and grant programmes

Choose name from list - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
EXPENDITURE:	1									
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		(202 169)	(265 287)	(292 748)	56 481	165 671	165 671	46 591	51 917	54 600
Expanded Public Works Programme Integrated Gra	-	(4 468)	(3 611)	(3 319)	-	3 606	3 606	(2 864)	-	-
Local Government Financial Management Grant	-	(1 800)	(1 750)	(1 950)	1 950	1 950	1 950	1 900	2 000	2 200
Municipal Disaster Recovery Grant	-	-	-	(2 000)	44 619	44 619	44 619	-	-	-
Municipal Disaster Relief Grant	-	(745)	(745)	(745)	-	-	-	-	-	-
Municipal Infrastructure Grant	-	(191 399)	(255 524)	(277 374)	7 053	66 021	66 021	44 567	46 795	49 135
Rural Road Asset Management Systems Grant	-	(3 757)	(3 657)	(7 360)	2 859	2 859	2 859	2 988	3 122	3 265
Water Services Infrastructure Grant	-	-	-	-	-	46 616	46 616	-	-	-
Provincial Government:		(4 700)	(4 700)	(4 700)	-	1 873	1 873	-	-	-
KwaZulu-Natal	-	(4 700)	(4 700)	(4 700)	-	1 873	1 873	-	-	-
KwaZulu-Natal_Infrastructure_Infrastructure_RECEIPTS										
Water Services Operating Subsidy										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total operating expenditure of Transfers and Grants:		(206 869)	(269 987)	(297 448)	56 481	167 544	167 544	46 591	51 917	54 600
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		(78 086)	(121 371)	(276 159)	454 994	360 477	360 477	238 310	192 021	201 622
KwaZulu-Natal	-	(15 310)	(36 245)	(43 383)	-	-	-	-	-	-
Municipal Disaster Recovery Grant	-	-	-	-	85 156	85 156	85 156	-	-	-
Municipal Infrastructure Grant	-	-	-	-	219 838	204 937	204 937	138 310	145 225	152 487
Regional Bulk Infrastructure Grant	-	(12 776)	(12 776)	(12 776)	-	-	-	-	-	-
Water Services Infrastructure Grant	-	(50 000)	(72 350)	(220 000)	150 000	70 384	70 384	100 000	46 795	49 135
Other capital transfers/grants [insert desc]										
Provincial Government:		(15 310)	(36 245)	(43 383)	-	-	-	-	-	-
KwaZulu-Natal	-	(15 310)	(36 245)	(43 383)	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total capital expenditure of Transfers and Grants		(93 396)	(157 616)	(319 542)	454 994	360 477	360 477	238 310	192 021	201 622
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		(300 265)	(427 603)	(616 990)	511 475	528 021	528 021	284 901	243 938	256 222

Table 24 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

Choose name from list - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
Operating transfers and grants:	1.3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		569 801	540 697	605 090	750 052	800 274	800 274	734 435	789 136	832 286
Repayment of grants										
Conditions met - transferred to revenue		367 632	275 410	312 342	806 533	965 945	965 945	781 026	841 053	886 886
Conditions still to be met - transferred to liabilities		202 169	265 287	292 748	(56 481)	(165 671)	(165 671)	(46 591)	(51 917)	(54 600)
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts		15 385	41 085	43 685	-	-	-	-	-	-
Conditions met - transferred to revenue		10 685	36 385	38 985	-	1 873	1 873	-	-	-
Conditions still to be met - transferred to liabilities		4 700	4 700	4 700	-	(1 873)	(1 873)	-	-	-
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
Total operating transfers and grants revenue		378 317	311 795	351 327	806 533	967 818	967 818	781 026	841 053	886 886
Total operating transfers and grants - CTBM	2	206 869	269 987	297 448	(56 481)	(167 544)	(167 544)	(46 591)	(51 917)	(54 600)
Capital transfers and grants:	1.3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		254 175	340 650	765 674	454 994	402 573	402 573	275 321	312 767	315 017
Conditions met - transferred to revenue		332 261	462 021	1 041 833	-	42 096	42 096	37 011	120 746	113 396
Conditions still to be met - transferred to liabilities		(78 086)	(121 371)	(276 159)	454 994	360 477	360 477	238 310	192 021	201 622
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		(15 310)	(36 245)	(43 383)	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		15 310	36 245	43 383	-	-	-	-	-	-
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts		269 560	356 035	781 059	454 994	402 573	402 573	275 321	312 767	315 017
Conditions met - transferred to revenue		269 560	356 035	781 059	454 994	402 573	402 573	275 321	312 767	315 017
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
Total capital transfers and grants revenue		586 511	781 811	1 779 509	454 994	444 669	444 669	312 332	433 513	428 413
Total capital transfers and grants - CTBM	2	(62 776)	(85 126)	(232 776)	454 994	360 477	360 477	238 310	192 021	201 622
TOTAL TRANSFERS AND GRANTS REVENUE		964 828	1 093 606	2 130 836	1 261 527	1 412 487	1 412 487	1 093 358	1 274 566	1 315 299
TOTAL TRANSFERS AND GRANTS - CTBM		144 093	184 861	64 672	398 513	192 933	192 933	191 719	140 103	147 022

2.8 Councillor and employee benefits

Table 25 MBRR SA22 - Summary of councillor and staff benefits

Choose name from list - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		–	–	8 796	8 058	10 343	10 343	10 343	7 655	7 273
Pension and UIF Contributions		–	–	–	–	–	–	–	–	–
Medical Aid Contributions		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		–	–	–	416	416	416	416	395	376
Cellphone Allowance		–	–	–	742	742	742	742	705	670
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		–	–	2 998	2 192	2 192	2 192	2 192	2 082	1 978
Sub Total - Councillors		–	–	11 795	11 409	13 693	13 693	13 693	10 838	10 296
% increase	4		–	–	(3.3%)	20.0%	–	–	(20.8%)	(5.0%)
Senior Managers of the Municipality	2									
Basic Salaries and Wages		613	211	–	5 162	5 162	5 162	5 162	4 904	4 659
Pension and UIF Contributions		135	46	–	–	–	–	–	–	–
Medical Aid Contributions		54	16	–	65	65	65	65	62	59
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		51	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	3	332	397	229	1 713	1 713	1 713	1 713	1 628	1 546
Cellphone Allowance	3	12	4	–	148	148	148	148	140	133
Housing Allowances	3	2	1	–	494	494	494	494	469	446
Other benefits and allowances	3	–	3	–	–	–	–	–	–	–
Payments in lieu of leave		62	–	331	–	–	–	–	–	–
Long service awards		74	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–	–
Entertainment		–	–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–	–	–
Acting and post related allowance		–	–	–	–	–	–	–	–	–
In kind benefits		–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		1 334	678	560	7 583	7 583	7 583	7 583	7 204	6 843
% increase	4		(49.1%)	(17.5%)	1 255.0%	–	–	–	(5.0%)	(5.0%)
Other Municipal Staff										
Basic Salaries and Wages		234 183	247 246	306 766	208 112	208 112	208 112	127 630	144 875	141 578
Pension and UIF Contributions		41 795	42 337	52 980	43 309	43 309	43 309	43 309	41 379	39 553
Medical Aid Contributions		17 437	16 807	20 065	20 372	20 372	20 372	20 372	19 415	18 445
Overtime		44 198	51 459	50 094	7 532	7 532	7 532	7 532	7 155	6 797
Performance Bonus		19 245	19 408	24 000	80 549	80 549	80 549	37 695	43 415	39 553
Motor Vehicle Allowance	3	9 439	9 670	10 056	8 646	8 646	8 646	8 646	9 841	9 349
Cellphone Allowance	3	2 801	2 723	3 110	3 047	3 047	3 047	3 047	3 056	2 925
Housing Allowances	3	1 780	1 618	1 572	1 760	1 760	1 760	1 760	2 141	2 034
Other benefits and allowances	3	10 361	12 189	26 519	9 522	9 522	9 522	9 522	9 046	8 594
Payments in lieu of leave		4 788	4 225	6 368	2 013	2 013	2 013	2 013	1 912	1 816
Long service awards		7 771	(1 996)	6 478	2 403	2 403	2 403	2 403	2 283	2 169
Post-retirement benefit obligations	6	3 277	4 244	4 884	–	–	–	–	–	–
Entertainment		3 859	–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–	–	–
Acting and post related allowance		2 731	3 115	2 691	15 000	15 000	15 000	8 954	8 507	8 081
In kind benefits		–	–	–	–	–	–	–	–	–
Sub Total - Other Municipal Staff		403 667	413 045	515 582	402 264	402 264	402 264	272 882	293 025	280 894
% increase	4		2.3%	24.8%	(22.0%)	–	–	(32.2%)	7.4%	(4.1%)
Total Parent Municipality		405 001	413 723	527 937	421 255	423 540	423 540	294 158	311 067	298 034

Table 26 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

DC21 Ugu - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)								
Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4		669 162	-	258 210			927 372
Chief Whip			627 339	-	260 268			887 607
Executive Mayor			836 453	-	329 972			1 166 425
Deputy Executive Mayor			669 162	-	254 084			923 246
Executive Committee			3 136 695	-	1 205 827			4 342 522
Total for all other councillors			3 399 671	-	962 003			4 361 674
Total Councillors	8	-	9 338 481	-	3 270 364			12 608 845
Senior Managers of the Municipality	5							
Municipal Manager (MM)			1 708 735	13 619	474 198			2 196 552
Chief Finance Officer			845 943	11 953	426 450			1 284 346
								-
								-
			2 722 880	36 765	1 342 273			4 101 918
List of each official with packages >= senior manager								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
Total Senior Managers of the Municipality	8,10	-	5 277 558	62 337	2 242 921	-		7 582 816
A Heading for Each Entity	6,7							
List each member of board by designation								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
Total for municipal entities	8,10	-	-	-	-	-		-
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	-	14 616 039	62 337	5 513 285	-		20 191 661

Table 27 MBRR SA24 – Summary of personnel numbers

[illegible]

2.9 Monthly targets for revenue, expenditure and cash flow

Table 28 MBRR SA25 - Budgeted monthly revenue and expenditure

Choose name from list - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue																
Exchange Revenue																
Service charges - Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Water		36 695	36 695	36 695	36 695	36 695	36 695	36 695	36 695	36 695	36 695	36 695	36 695	440 342	419 912	440 043
Service charges - Waste Water Management		11 879	11 879	11 879	11 879	11 879	11 879	11 879	11 879	11 879	11 879	11 879	11 879	142 544	136 136	142 806
Service charges - Waste Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services		249	249	249	249	249	249	249	249	249	249	249	249	2 983	3 120	3 260
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		6 412	6 412	6 412	6 412	6 412	6 412	6 412	6 412	6 412	6 412	6 412	6 412	76 939	80 478	84 099
Interest earned from Current and Non Current Assets		1 086	1 086	1 086	1 086	1 086	1 086	1 086	1 086	1 086	1 086	1 086	1 086	13 033	13 633	14 246
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		152	152	152	152	152	152	152	152	152	152	152	152	1 822	1 905	1 991
Licence and permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		207	207	207	207	207	207	207	207	207	207	207	207	2 480	2 594	2 711
Non-Exchange Revenue																
Property rates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences or permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		57 259	57 259	57 259	57 259	57 259	57 259	57 259	57 259	57 259	57 259	57 259	57 259	687 107	766 552	808 903
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		113 937	113 937	113 937	113 937	113 937	113 937	113 937	113 937	113 937	113 937	113 937	113 937	1 367 249	1 424 329	1 498 059
Expenditure																
Employee related costs		24 496	24 496	24 496	24 496	24 496	24 496	24 496	24 496	24 496	24 496	24 496	24 496	293 957	307 479	321 316
Remuneration of councillors		1 197	1 197	1 197	1 197	1 197	1 197	1 197	1 197	1 197	1 197	1 197	1 197	14 364	15 025	15 701
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory consumed		5 391	5 391	5 391	5 391	5 391	5 391	5 391	5 391	5 391	5 391	5 391	5 391	64 687	67 663	70 708
Debt impairment		2 380	2 380	2 380	2 380	2 380	2 380	2 380	2 380	2 380	2 380	2 380	2 380	28 560	29 874	31 218
Depreciation and amortisation		19 232	19 232	19 232	19 232	19 232	19 232	19 232	19 232	19 232	19 232	19 232	19 232	230 780	218 614	207 485
Interest		404	404	404	404	404	404	404	404	404	404	404	404	4 846	5 069	5 297
Contracted services		10 238	10 238	10 238	10 238	10 238	10 238	10 238	10 238	10 238	10 238	10 238	10 238	122 854	128 505	134 288
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational costs		8 267	8 267	8 267	8 267	8 267	8 267	8 267	8 267	8 267	8 267	8 267	8 267	99 208	103 772	108 441
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		71 605	71 605	71 605	71 605	71 605	71 605	71 605	71 605	71 605	71 605	71 605	71 605	859 257	876 001	894 455
Surplus/(Deficit)		42 333	42 333	42 333	42 333	42 333	42 333	42 333	42 333	42 333	42 333	42 333	42 333	507 991	548 328	603 605
Transfers and subsidies - capital (monetary allocations)		22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	270 733	283 187	295 930
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		64 894	64 894	64 894	64 894	64 894	64 894	64 894	64 894	64 894	64 894	64 894	64 894	778 724	831 515	899 535
Income Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		64 894	64 894	64 894	64 894	64 894	64 894	64 894	64 894	64 894	64 894	64 894	64 894	778 724	831 515	899 535
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		64 894	64 894	64 894	64 894	64 894	64 894	64 894	64 894	64 894	64 894	64 894	64 894	778 724	831 515	899 535
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	64 894	64 894	64 894	64 894	64 894	64 894	64 894	64 894	64 894	64 894	64 894	64 894	778 724	831 515	899 535

Table 29 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

Choose name from list - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand																
Revenue by Vote																
Vote 1 - Executive and Council				(239)	(239)	(239)	(239)	(239)	(239)	(239)	(239)	(239)	(716)	(2 864)	-	-
Vote 2 - Finance and Administration				56 193	56 193	56 193	56 193	56 193	56 193	56 193	56 193	56 193	168 580	674 319	712 466	752 063
Vote 3 - Internal Audit				-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services				-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Sports and recreation				-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Public safety				-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]				-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Health				-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development				902	902	902	902	902	902	902	902	902	2 707	10 827	11 460	12 096
Vote 10 - Road Transport				-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Environmental Protection				-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 1210]				-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Water Management				46 963	46 963	46 963	46 963	46 963	46 963	46 963	46 963	46 963	140 890	563 561	570 255	597 244
Vote 14 - Waste Water Management				10 329	10 329	10 329	10 329	10 329	10 329	10 329	10 329	10 329	30 988	123 951	130 149	136 656
Vote 15 - Waste Management				-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote		-	-	114 150	114 150	114 150	114 150	114 150	114 150	114 150	114 150	114 150	342 449	1 369 795	1 424 329	1 498 059
Expenditure by Vote to be appropriated																
Vote 1 - Executive and Council				3 693	3 693	3 693	3 693	3 693	3 693	3 693	3 693	3 693	11 078	44 313	40 872	39 225
Vote 2 - Finance and Administration				34 572	34 572	34 572	34 572	34 572	34 572	34 572	34 572	34 572	103 716	414 864	426 807	406 042
Vote 3 - Internal Audit				56	56	56	56	56	56	56	56	56	168	670	732	695
Vote 4 - Community and Social Services				795	795	795	795	795	795	795	795	795	2 386	9 543	6 466	6 286
Vote 5 - Sports and recreation				-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Public safety				-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]				-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Health				47	47	47	47	47	47	47	47	47	140	560	665	632
Vote 9 - Planning and Development				822	822	822	822	822	822	822	822	822	2 466	9 866	9 598	9 140
Vote 10 - Road Transport				-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Environmental Protection				33	33	33	33	33	33	33	33	33	100	400	1 140	1 083
Vote 12 - [NAME OF VOTE 1210]				-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Water Management				24 193	24 193	24 193	24 193	24 193	24 193	24 193	24 193	24 193	72 578	290 311	308 904	146 905
Vote 14 - Waste Water Management				7 397	7 397	7 397	7 397	7 397	7 397	7 397	7 397	7 397	22 190	88 761	82 510	78 705
Vote 15 - Waste Management				-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		-	-	71 607	71 607	71 607	71 607	71 607	71 607	71 607	71 607	71 607	214 822	859 287	877 694	688 712
Surplus/(Deficit) before assoc.		-	-	42 542	42 542	42 542	42 542	42 542	42 542	42 542	42 542	42 542	127 627	510 508	546 635	809 348
Income Tax				-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities				-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions				-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	-	-	42 542	42 542	42 542	42 542	42 542	42 542	42 542	42 542	42 542	127 627	510 508	546 635	809 348

Table 30 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

Choose name from list - Supporting Table SA27 Budg -238667

Description	Ref	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand																
Revenue - Functional																
Governance and administration		55 955	55 955	55 955	55 955	55 955	55 955	55 955	55 955	55 955	55 955	55 955	55 955	671 455	712 466	752 063
Executive and council		(239)	(239)	(239)	(239)	(239)	(239)	(239)	(239)	(239)	(239)	(239)	(239)	(2 864)	-	-
Finance and administration		56 193	56 193	56 193	56 193	56 193	56 193	56 193	56 193	56 193	56 193	56 193	56 193	674 319	712 466	752 063
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		902	902	902	902	902	902	902	902	902	902	902	902	10 827	11 460	12 096
Planning and development		902	902	902	902	902	902	902	902	902	902	902	902	10 827	11 460	12 096
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services		57 293	57 293	57 293	57 293	57 293	57 293	57 293	57 293	57 293	57 293	57 293	57 293	687 513	700 404	733 901
Energy sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water management		46 963	46 963	46 963	46 963	46 963	46 963	46 963	46 963	46 963	46 963	46 963	46 963	563 561	570 255	597 244
Waste water management		10 329	10 329	10 329	10 329	10 329	10 329	10 329	10 329	10 329	10 329	10 329	10 329	123 951	130 149	136 656
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Functional		114 150	114 150	114 150	114 150	114 150	114 150	114 150	114 150	114 150	114 150	114 150	114 150	1 369 795	1 424 329	1 498 059
Expenditure - Functional																
Governance and administration		38 321	38 321	38 321	38 321	38 321	38 321	38 321	38 321	38 321	38 321	38 321	38 321	459 847	468 411	445 961
Executive and council		3 693	3 693	3 693	3 693	3 693	3 693	3 693	3 693	3 693	3 693	3 693	3 693	44 313	40 872	39 225
Finance and administration		34 572	34 572	34 572	34 572	34 572	34 572	34 572	34 572	34 572	34 572	34 572	34 572	414 864	426 807	406 042
Internal audit		56	56	56	56	56	56	56	56	56	56	56	56	670	732	695
Community and public safety		842	842	842	842	842	842	842	842	842	842	842	842	10 103	7 131	6 917
Community and social services		795	795	795	795	795	795	795	795	795	795	795	795	9 543	6 466	6 286
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		47	47	47	47	47	47	47	47	47	47	47	47	560	665	632
Economic and environmental services		855	855	855	855	855	855	855	855	855	855	855	855	10 266	10 738	10 223
Planning and development		822	822	822	822	822	822	822	822	822	822	822	822	9 866	9 598	9 140
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection		33	33	33	33	33	33	33	33	33	33	33	33	400	1 140	1 083
Trading services		31 589	31 589	31 589	31 589	31 589	31 589	31 589	31 589	31 589	31 589	31 589	31 589	379 072	391 414	434 234
Energy sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water management		24 193	24 193	24 193	24 193	24 193	24 193	24 193	24 193	24 193	24 193	24 193	24 193	290 311	308 904	355 529
Waste water management		7 397	7 397	7 397	7 397	7 397	7 397	7 397	7 397	7 397	7 397	7 397	7 397	88 761	82 510	78 705
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional		71 607	71 607	71 607	71 607	71 607	71 607	71 607	71 607	71 607	71 607	71 607	71 607	859 287	877 694	897 336
Surplus/(Deficit) before assoc.		42 542	42 542	42 542	42 542	42 542	42 542	42 542	42 542	42 542	42 542	42 542	42 542	510 508	546 635	600 724
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	42 542	42 542	42 542	42 542	42 542	42 542	42 542	42 542	42 542	42 542	42 542	42 542	510 508	546 635	600 724

Table 31 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

Choose name from list - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand																
Multi-year expenditure to be appropriated	1															
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Sports and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Road Transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Environmental Protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 1210]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Water Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated																
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Sports and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Road Transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Environmental Protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 1210]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Water Management		14 914	14 914	14 914	14 914	14 914	14 914	14 914	14 914	14 914	14 914	14 914	14 914	178 966	187 238	195 716
Vote 14 - Waste Water Management		7 647	7 647	7 647	7 647	7 647	7 647	7 647	7 647	7 647	7 647	7 647	7 647	91 767	96 169	100 733
Vote 15 - Waste Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	270 733	283 407	296 449
Total Capital Expenditure	2	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	270 733	283 407	296 449

Table 32 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

Choose name from list - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Capital Expenditure - Functional	1															
Governance and administration		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance and administration		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services		22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	270 733	283 187	295 930
Energy sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water management		14 914	14 914	14 914	14 914	14 914	14 914	14 914	14 914	14 914	14 914	14 914	14 914	178 966	187 198	195 622
Waste water management		7 647	7 647	7 647	7 647	7 647	7 647	7 647	7 647	7 647	7 647	7 647	7 647	91 767	95 989	100 308
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	2	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	270 733	283 187	295 930
Funded by:																
National Government		22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	270 733	283 187	295 930
Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital		22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	270 733	283 187	295 930
Borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Funding		22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	270 733	283 187	295 930

Table 33 MBRR SA30 - Budgeted monthly cash flow

Choose name from list - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand															
Cash Receipts By Source													1		
Property rates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	29 574	29 574	29 574	29 574	29 574	29 574	29 574	29 574	29 574	29 574	29 574	29 574	354 889	465 096	487 863
Service charges - sanitation revenue	9 503	9 503	9 503	9 503	9 503	9 503	9 503	9 503	9 503	9 503	9 503	9 503	114 035	149 671	157 155
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	166	166	166	166	166	166	166	166	166	166	166	166	1 997	2 097	2 202
Interest earned - external investments	1 035	1 035	1 035	1 035	1 035	1 035	1 035	1 035	1 035	1 035	1 035	1 035	12 424	13 046	13 698
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational	61 203	61 203	61 203	61 203	61 203	61 203	61 203	61 203	61 203	61 203	61 203	61 203	734 435	789 136	832 286
Other revenue	(8 782)	(8 782)	(8 782)	(8 782)	(8 782)	(8 782)	(8 782)	(8 782)	(8 782)	(8 782)	(8 782)	(8 782)	(105 382)	(114 040)	(120 514)
Cash Receipts by Source	92 700	92 700	92 700	92 700	92 700	92 700	92 700	92 700	92 700	92 700	92 700	92 700	1 112 399	1 305 005	1 372 689
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	22 943	22 943	22 943	22 943	22 943	22 943	22 943	22 943	22 943	22 943	22 943	22 943	275 321	312 767	315 017
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Deparm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VAT Control (receipts)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(330)
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	115 643	115 643	115 643	115 643	115 643	115 643	115 643	115 643	115 643	115 643	115 643	115 643	1 387 720	1 617 772	1 687 376
Cash Payments by Type															
Employee related costs	23 374	23 374	23 374	23 374	23 374	23 374	23 374	23 374	23 374	23 374	23 374	23 374	280 485	293 047	280 917
Remuneration of councillors	1 141	1 141	1 141	1 141	1 141	1 141	1 141	1 141	1 141	1 141	1 141	1 141	13 693	10 838	10 296
Interest	381	381	381	381	381	381	381	381	381	381	381	381	4 575	3 938	3 741
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisitions - water & other inventory	8 549	8 549	8 549	8 549	8 549	8 549	8 549	8 549	8 549	8 549	8 549	8 549	102 582	104 034	108 852
Contracted services	12 107	12 107	12 107	12 107	12 107	12 107	12 107	12 107	12 107	12 107	12 107	12 107	145 289	144 809	146 765
Transfers and subsidies - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	8 937	8 937	8 937	8 937	8 937	8 937	8 937	8 937	8 937	8 937	8 937	8 937	107 240	124 951	119 744
Cash Payments by Type	54 489	54 489	54 489	54 489	54 489	54 489	54 489	54 489	54 489	54 489	54 489	54 489	653 865	681 618	670 316
Other Cash Flows/Payments by Type															
Capital assets	27 893	27 893	27 893	27 893	27 893	27 893	27 893	27 893	27 893	27 893	27 893	27 893	334 719	338 381	356 567
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	82 382	82 382	82 382	82 382	82 382	82 382	82 382	82 382	82 382	82 382	82 382	82 382	988 585	1 019 999	1 026 883
NET INCREASE/(DECREASE) IN CASH HELD	33 261	33 261	33 261	33 261	33 261	33 261	33 261	33 261	33 261	33 261	33 261	33 261	399 135	597 773	660 493
Cash/cash equivalents at the month/year begin:	13 086	46 348	79 609	112 870	146 132	179 393	212 654	245 915	279 177	312 438	345 699	378 961	13 086	412 222	1 009 994
Cash/cash equivalents at the month/year end:	46 348	79 609	112 870	146 132	179 393	212 654	245 915	279 177	312 438	345 699	378 961	412 222	412 222	1 009 994	1 670 487

2.10 Annual budgets and SDBIPs – Internal departments

Please refer to the SDBIP

2.11 Contracts having future budgetary implications

In terms of the municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Budget office of the Treasury Department.

2.12 Capital expenditure details.

2.12.1 In their assessment of the municipality's budgets and financial position, Provincial and National Treasury advised against budgeting for capital expenditure funded by internal funds. The municipality has therefore limited capital budgets to grant funding:

2.12.2 The below table depicts the capital expenditure for the 2024-25 financial year:

MIG CAPITAL BUDGET			
WATER			
NO	PROJECT NAME	LOCAL MUNICIPALITY	AMOUNT
1	Msikaba and Surrounds Wate Supply	Ray Nkonyeni	R 10 000 000.00
2	Kwamgai and Surrounds Water Supply Scheme	Umdoni	R 20 000 000.00
3	Umzinto Slums Clearance: Farm Isonti Low Cost Housing Water and Sanitation Scheme	Umdoni	R 19 200 000.00
4	Umzinto Waste Water Treatment Works and Outfall Sewers Upgrade and Rehabilitation	Umdoni	R 20 000 000.00
5	Vulamehlo Cross-Border Water Scheme	Umdoni	R 10 000 000.00
6	Umzimkhulu Bulk Water Augmentation Scheme - Phase 2	Ray Nkonyeni	R 20 000 000.00
7	Kwalemba Water Supply Scheme Extension Implementation - Phase 1	Umdoni	R 18 965 778.00
8	Umdoni South Bulk Water Supply	Umdoni	R 3 000 000.00
9	Emergency Boreholes Programme - Phase 2 - Implementation	Whole of the District	R 20 000 000.00
	TOTAL WATER (MIG)		R 141 165 778.00
SANITATION			
NO	PROJECT NAME	LOCAL MUNICIPALITY	AMOUNT
1	Malangeni Low Cost Housing Project	Umdoni	R 7 567 372.00
2	Margate Extension 3 & 7 Sanitation Scheme - Ward 6	Ray Nkonyeni	R 22 000 000.00
	TOTAL SANITATION (MIG)		R 29 567 372.00
	TOTAL MIG CAPITAL WATER & SANITATION BUDGET		R 170 733 150.00
MIG OPERATIONAL BUDGET			
NO	PROJECT NAME	LOCAL MUNICIPALITY	AMOUNT
1	HIBISCUS COAST SANITATION (OPEX)	Whol of the District	R3 000 000.00
2	TOP SLICE - PMU FEES (OPEX)	Whol of the District	R9 143 850.00
	TOTAL MIG OPERATIONAL BUDGET		R12 143 850.00
	TOTAL MIG ALLOCATION		AMOUNT
	TOTAL MIG CAPITAL BUDGET		R 170 733 150.00
	TOTAL MIG OPERATIONAL BUDGET		R 12 143 850.00
			R 182 877 000.00
WSIG CAPITAL BUDGET			
NO	PROJECT NAME	LOCAL MUNICIPALITY	AMOUNT
1	Water Pipeline Replacement Programme	Whole of the District	R 36 100 000.00
2	Dunjazane Water Pipeline	Ray Nkonyeni	R 13 900 000.00
3	KwaMadlala Water Pipeline	Ray Nkonyeni	R 30 000 000.00
4	Upgrade of Harding Sewer Reticulation	Umuziwabantu	R 20 000 000.00
	TOTAL WSIG BUDGET		R 100 000 000.00

2.13 Legislation compliance status

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

2.13.1. In year reporting

Reporting to National Treasury in electronic format was fully complied with monthly. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the municipality's website.

2.13.2. Internship programme

The municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. Three of the interns have completed the MFMP programme, the two remaining interns are undergoing the training with the expected completion date of the 30 of May 2025.

2.13.3. Budget and Treasury Office

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

2.13.4. Audit Committee

An Audit Committee has been established and is fully functional.

2.13.5. Service Delivery and Implementation Plan

The detail SDBIP document is at a draft stage and will be finalised after approval of the 2024/25 MTREF in May 2024 directly aligned and informed by the 2024/25 MTREF.

2.13.6. Annual Report

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

2.13.7. MFMA Training

The MFMA training module in electronic format is presented at the City's internal centre and training is ongoing.

2.13.8. Policies

All the policies of the municipality have been reviewed and aligned with the relevant legislation.

Municipal annual budgets and MTREF & supporting tables

mSCOA Version 6.8

[Click for Instructions!](#)

Accountability

Transparency

**Information &
service delivery**



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Contact details:

E Kgomotso Baloyi
National Treasury
Tel: (012) 315-5866
T Electronic submissions:
E LG Upload Portal

Preparation Instructions

Municipality Name:

DC21 Ugu

CFO Name:

Tel:

Fax:

E-Mail:

Budget for MTREF starting:

2024

Budget Year:

2024/25

Does this municipality have Entities?

No

If YES: Identify type of report:

Parent Municipality

LGDB Export

Name Votes & Sub-Votes

Printing Instructions

Showing / Hiding Columns

Hide Pre-audit columns on all

Hide Reference columns on all

Showing / Clearing Highlights

Clear Highlights on all sheets

Important documents which provide essential assistance

MFMA Budget Circulars

Click to view

MBRR Budget Formats Guide

Click to view

Dummy Budget Guide

Click to view

Funding Compliance Guide

Click to view

MFMA Return Forms

Click to view

SAT36

Organisational Structure Votes		Complete Votes & Sub-Votes	Select Org. Structure	
Organisational Structure Votes		Organisational Structure Sub-Votes	Display Sub-Votes	
Vote 1 - Executive and Council		Vote 1 Executive and Council		
Vote 2 - Finance and Administration	1.1	1.1 - Mayor and Council	1.1 - Mayor and Council	
Vote 3 - Internal Audit	1.2	1.2 - Municipal Manager, Town Secretary and Chief Executive	1.2 - Municipal Manager, Town Secretary and Chief Executive	
Vote 4 - Community and Social Services	1.3	1.3 - [Name of sub-vote]	1.3 - [Name of sub-vote]	
Vote 5 - Sports and recreation	1.4	1.4 - [Name of sub-vote]	1.4 - [Name of sub-vote]	
Vote 6 - Public safety	1.5	1.5 - [Name of sub-vote]	1.5 - [Name of sub-vote]	
Vote 7 - [NAME OF VOTE 7]	1.6	1.6 - [Name of sub-vote]	1.6 - [Name of sub-vote]	
Vote 8 - Health	1.7	1.7 - [Name of sub-vote]	1.7 - [Name of sub-vote]	
Vote 9 - Planning and Development	1.8	1.8 - [Name of sub-vote]	1.8 - [Name of sub-vote]	
Vote 10 - Road Transport	1.9	1.9 - [Name of sub-vote]	1.9 - [Name of sub-vote]	
Vote 11 - Environmental Protection	1.10	1.10 - [Name of sub-vote]	1.10 - [Name of sub-vote]	
Vote 12 - [NAME OF VOTE 1210]		Vote 2 Finance and Administration		
Vote 13 - Water Management	2.1	2.1 - Administrative and Corporate Support	2.1 - Administrative and Corporate Support	
Vote 14 - Waste Water Management	2.2	2.2 - Asset Management	2.2 - Asset Management	
Vote 15 - Waste Management	2.3	2.3 - Finance	2.3 - Finance	
	2.4	2.4 - Fleet Management	2.4 - Fleet Management	
	2.5	2.5 - Human Resources	2.5 - Human Resources	
	2.6	2.6 - Information Technology	2.6 - Information Technology	
	2.7	2.7 - [Name of sub-vote]	2.7 - [Name of sub-vote]	
	2.8	2.8 - [Name of sub-vote]	2.8 - [Name of sub-vote]	
	2.9	2.9 - [Name of sub-vote]	2.9 - [Name of sub-vote]	
	2.10	2.10 - [Name of sub-vote]	2.10 - [Name of sub-vote]	
		Vote 3 Internal Audit		
	3.1	3.1 - [Name of sub-vote]	3.1 - [Name of sub-vote]	
	3.2	3.2 - Aged Care	3.2 - Aged Care	
	3.3	3.3 - [Name of sub-vote]	3.3 - [Name of sub-vote]	
	3.4	3.4 - [Name of sub-vote]	3.4 - [Name of sub-vote]	
	3.5	3.5 - Cemeteries, Funeral Parlours and Crematoriums	3.5 - Cemeteries, Funeral Parlours and Crematoriums	
	3.6	3.6 - [Name of sub-vote]	3.6 - [Name of sub-vote]	
	3.7	3.7 - [Name of sub-vote]	3.7 - [Name of sub-vote]	
	3.8	3.8 - [Name of sub-vote]	3.8 - [Name of sub-vote]	
	3.9	3.9 - [Name of sub-vote]	3.9 - [Name of sub-vote]	
	3.10	3.10 - [Name of sub-vote]	3.10 - [Name of sub-vote]	
		Vote 4 Community and Social Services		
	4.1	4.1 - Aged Care	4.1 - Aged Care	
	4.2	4.2 - [Name of sub-vote]	4.2 - [Name of sub-vote]	
	4.3	4.3 - [Name of sub-vote]	4.3 - [Name of sub-vote]	
	4.4	4.4 - Cemeteries, Funeral Parlours and Crematoriums	4.4 - Cemeteries, Funeral Parlours and Crematoriums	
	4.5	4.5 - Child Care Facilities	4.5 - Child Care Facilities	
	4.6	4.6 - Community Halls and Facilities	4.6 - Community Halls and Facilities	
	4.7	4.7 - Population Development	4.7 - Population Development	
	4.8	4.8 - Population Development	4.8 - Population Development	
	4.9	4.9 - Disaster Management	4.9 - Disaster Management	
	4.10	4.10 - Education	4.10 - Education	
		Vote 5 Sports and recreation		
	5.1	5.1 - [Name of sub-vote]	5.1 - [Name of sub-vote]	
	5.2	5.2 - [Name of sub-vote]	5.2 - [Name of sub-vote]	
	5.3	5.3 - [Name of sub-vote]	5.3 - [Name of sub-vote]	
	5.4	5.4 - Recreational Facilities	5.4 - Recreational Facilities	
	5.5	5.5 - [Name of sub-vote]	5.5 - [Name of sub-vote]	
	5.6	5.6 - [Name of sub-vote]	5.6 - [Name of sub-vote]	
	5.7	5.7 - [Name of sub-vote]	5.7 - [Name of sub-vote]	
	5.8	5.8 - [Name of sub-vote]	5.8 - [Name of sub-vote]	
	5.9	5.9 - [Name of sub-vote]	5.9 - [Name of sub-vote]	
	5.10	5.10 - [Name of sub-vote]	5.10 - [Name of sub-vote]	
		Vote 6 Public safety		
	6.1	6.1 - [Name of sub-vote]	6.1 - [Name of sub-vote]	
	6.2	6.2 - Cleansing	6.2 - Cleansing	
	6.3	6.3 - Control of Public Nuisances	6.3 - Control of Public Nuisances	
	6.4	6.4 - [Name of sub-vote]	6.4 - [Name of sub-vote]	
	6.5	6.5 - [Name of sub-vote]	6.5 - [Name of sub-vote]	
	6.6	6.6 - [Name of sub-vote]	6.6 - [Name of sub-vote]	
	6.7	6.7 - [Name of sub-vote]	6.7 - [Name of sub-vote]	
	6.8	6.8 - [Name of sub-vote]	6.8 - [Name of sub-vote]	
	6.9	6.9 - [Name of sub-vote]	6.9 - [Name of sub-vote]	
	6.10	6.10 - [Name of sub-vote]	6.10 - [Name of sub-vote]	
		Vote 7 [NAME OF VOTE 7]		
	7.1	7.1 - [Name of sub-vote]	7.1 - [Name of sub-vote]	
	7.2	7.2 - [Name of sub-vote]	7.2 - [Name of sub-vote]	
	7.3	7.3 - [Name of sub-vote]	7.3 - [Name of sub-vote]	
	7.4	7.4 - [Name of sub-vote]	7.4 - [Name of sub-vote]	
	7.5	7.5 - [Name of sub-vote]	7.5 - [Name of sub-vote]	
	7.6	7.6 - [Name of sub-vote]	7.6 - [Name of sub-vote]	
	7.7	7.7 - [Name of sub-vote]	7.7 - [Name of sub-vote]	
	7.8	7.8 - [Name of sub-vote]	7.8 - [Name of sub-vote]	
	7.9	7.9 - [Name of sub-vote]	7.9 - [Name of sub-vote]	
	7.10	7.10 - [Name of sub-vote]	7.10 - [Name of sub-vote]	
		Vote 8 Health		
	8.1	8.1 - [Name of sub-vote]	8.1 - [Name of sub-vote]	
	8.2	8.2 - Health Services	8.2 - Health Services	
	8.3	8.3 - [Name of sub-vote]	8.3 - [Name of sub-vote]	
	8.4	8.4 - [Name of sub-vote]	8.4 - [Name of sub-vote]	
	8.5	8.5 - Health Surveillance and Prevention of Communicable Diseases including immunization	8.5 - Health Surveillance and Prevention of Communicable Diseases including immunization	
	8.6	8.6 - [Name of sub-vote]	8.6 - [Name of sub-vote]	
	8.7	8.7 - [Name of sub-vote]	8.7 - [Name of sub-vote]	
	8.8	8.8 - [Name of sub-vote]	8.8 - [Name of sub-vote]	
	8.9	8.9 - [Name of sub-vote]	8.9 - [Name of sub-vote]	
	8.10	8.10 - [Name of sub-vote]	8.10 - [Name of sub-vote]	
		Vote 9 Planning and Development		
	9.1	9.1 - [Name of sub-vote]	9.1 - [Name of sub-vote]	
	9.2	9.2 - Central City Improvement District	9.2 - Central City Improvement District	
	9.3	9.3 - Central City Improvement District	9.3 - Central City Improvement District	
	9.4	9.4 - Development Facilitation	9.4 - Development Facilitation	
	9.5	9.5 - Economic Development/Planning	9.5 - Economic Development/Planning	
	9.6	9.6 - Regional Planning and Development	9.6 - Regional Planning and Development	
	9.7	9.7 - Town Planning, Building Regulations and Enforcement, and City Engineer	9.7 - Town Planning, Building Regulations and Enforcement, and City Engineer	
	9.8	9.8 - Project Management Unit	9.8 - Project Management Unit	
	9.9	9.9 - Provincial Planning	9.9 - Provincial Planning	
	9.10	9.10 - Support to Local Municipalities	9.10 - Support to Local Municipalities	
		Vote 10 Road Transport		
	10.1	10.1 - [Name of sub-vote]	10.1 - [Name of sub-vote]	
	10.2	10.2 - [Name of sub-vote]	10.2 - [Name of sub-vote]	
	10.3	10.3 - Roads	10.3 - Roads	
	10.4	10.4 - [Name of sub-vote]	10.4 - [Name of sub-vote]	
	10.5	10.5 - [Name of sub-vote]	10.5 - [Name of sub-vote]	
	10.6	10.6 - [Name of sub-vote]	10.6 - [Name of sub-vote]	
	10.7	10.7 - [Name of sub-vote]	10.7 - [Name of sub-vote]	
	10.8	10.8 - [Name of sub-vote]	10.8 - [Name of sub-vote]	
	10.9	10.9 - [Name of sub-vote]	10.9 - [Name of sub-vote]	
	10.10	10.10 - [Name of sub-vote]	10.10 - [Name of sub-vote]	
		Vote 11 Environmental Protection		
	11.1	11.1 - Biodiversity and Landscape	11.1 - Biodiversity and Landscape	
	11.2	11.2 - Coastal Protection	11.2 - Coastal Protection	
	11.3	11.3 - Indigenous Forests	11.3 - Indigenous Forests	
	11.4	11.4 - [Name of sub-vote]	11.4 - [Name of sub-vote]	
	11.5	11.5 - Pollution Control	11.5 - Pollution Control	
	11.6	11.6 - [Name of sub-vote]	11.6 - [Name of sub-vote]	
	11.7	11.7 - [Name of sub-vote]	11.7 - [Name of sub-vote]	
	11.8	11.8 - [Name of sub-vote]	11.8 - [Name of sub-vote]	
	11.9	11.9 - [Name of sub-vote]	11.9 - [Name of sub-vote]	
	11.10	11.10 - [Name of sub-vote]	11.10 - [Name of sub-vote]	
		Vote 12 [NAME OF VOTE 1210]		
	12.1	12.1 - [Name of sub-vote]	12.1 - [Name of sub-vote]	
	12.2	12.2 - Water Treatment	12.2 - Water Treatment	
	12.3	12.3 - Water Distribution	12.3 - Water Distribution	
	12.4	12.4 - Water Storage	12.4 - Water Storage	
	12.5	12.5 - [Name of sub-vote]	12.5 - [Name of sub-vote]	
	12.6	12.6 - [Name of sub-vote]	12.6 - [Name of sub-vote]	
	12.7	12.7 - [Name of sub-vote]	12.7 - [Name of sub-vote]	
	12.8	12.8 - [Name of sub-vote]	12.8 - [Name of sub-vote]	
	12.9	12.9 - [Name of sub-vote]	12.9 - [Name of sub-vote]	
	12.10	12.10 - [Name of sub-vote]	12.10 - [Name of sub-vote]	
		Vote 13 Water Management		
	13.1	13.1 - Water Treatment	13.1 - Water Treatment	
	13.2	13.2 - Water Distribution	13.2 - Water Distribution	

13.3	Water Storage	13.3 - Water Storage
13.4	[Name of sub-vote]	13.4 - [Name of sub-vote]
13.5	[Name of sub-vote]	13.5 - [Name of sub-vote]
13.6	[Name of sub-vote]	13.6 - [Name of sub-vote]
13.7	[Name of sub-vote]	13.7 - [Name of sub-vote]
13.8	[Name of sub-vote]	13.8 - [Name of sub-vote]
13.9	[Name of sub-vote]	13.9 - [Name of sub-vote]
13.10	[Name of sub-vote]	13.10 - [Name of sub-vote]
Vote 14	Waste Water Management	
14.1	Public Toilets	14.1 - Public Toilets
14.2	Sewerage	14.2 - Sewerage
14.3	[Name of sub-vote]	14.3 - [Name of sub-vote]
14.4	Waste Water Treatment	14.4 - Waste Water Treatment
14.5	[Name of sub-vote]	14.5 - [Name of sub-vote]
14.6	[Name of sub-vote]	14.6 - [Name of sub-vote]
14.7	[Name of sub-vote]	14.7 - [Name of sub-vote]
14.8	[Name of sub-vote]	14.8 - [Name of sub-vote]
14.9	[Name of sub-vote]	14.9 - [Name of sub-vote]
14.10	[Name of sub-vote]	14.10 - [Name of sub-vote]
Vote 15	Waste Management	
15.1	[Name of sub-vote]	15.1 - [Name of sub-vote]
15.2	[Name of sub-vote]	15.2 - [Name of sub-vote]
15.3	Solid Waste Removal	15.3 - Solid Waste Removal
15.4	[Name of sub-vote]	15.4 - [Name of sub-vote]
15.5	[Name of sub-vote]	15.5 - [Name of sub-vote]
15.6	[Name of sub-vote]	15.6 - [Name of sub-vote]
15.7	[Name of sub-vote]	15.7 - [Name of sub-vote]
15.8	[Name of sub-vote]	15.8 - [Name of sub-vote]
15.9	[Name of sub-vote]	15.9 - [Name of sub-vote]
15.10	[Name of sub-vote]	15.10 - [Name of sub-vote]

DC21 Ugu - Contact Information

A. GENERAL INFORMATION

Municipality	DC21 Ugu
Grade	
Province	KZN KWAZULU-NATAL
Web Address	
e-mail Address	

1 Grade in terms of the Remuneration of Public Office Bearers Act.

B. CONTACT INFORMATION

Postal address:	
P.O. Box	
City / Town	
Postal Code	
Street address	
Building	
Street No. & Name	
City / Town	
Postal Code	
General Contacts	
Telephone number	
Fax number	

C. POLITICAL LEADERSHIP

Speaker:	Secretary/PA to the Speaker:
ID Number	ID Number
Title	Title
Name	Name
Telephone number	Telephone number
Cell number	Cell number
Fax number	Fax number
E-mail address	E-mail address
Mayor/Executive Mayor:	Secretary/PA to the Mayor/Executive Mayor:
ID Number	ID Number
Title	Title
Name	Name
Telephone number	Telephone number
Cell number	Cell number
Fax number	Fax number
E-mail address	E-mail address
Deputy Mayor/Executive Mayor:	Secretary/PA to the Deputy Mayor/Executive Mayor:
ID Number	ID Number
Title	Title
Name	Name
Telephone number	Telephone number
Cell number	Cell number
Fax number	Fax number
E-mail address	E-mail address

D. MANAGEMENT LEADERSHIP

Municipal Manager:	Secretary/PA to the Municipal Manager:
ID Number	ID Number
Title	Title
Name	Name
Telephone number	Telephone number
Cell number	Cell number
Fax number	Fax number
E-mail address	E-mail address
Chief Financial Officer	Secretary/PA to the Chief Financial Officer
ID Number	ID Number
Title	Title
Name	Name
Telephone number	Telephone number
Cell number	Cell number
Fax number	Fax number
E-mail address	E-mail address
Official responsible for submitting financial information	Official responsible for submitting financial information
ID Number	ID Number
Title	Title
Name	Name
Telephone number	Telephone number
Cell number	Cell number
Fax number	Fax number
E-mail address	E-mail address

Official responsible for submitting financial information	Official responsible for submitting financial information
ID Number	ID Number
Title	Title
Name	Name
Telephone number	Telephone number
Cell number	Cell number
Fax number	Fax number
E-mail address	E-mail address
Official responsible for submitting financial information	Official responsible for submitting financial information
ID Number	ID Number
Title	Title
Name	Name
Telephone number	Telephone number
Cell number	Cell number
Fax number	Fax number
E-mail address	E-mail address
Official responsible for submitting financial information	Official responsible for submitting financial information
ID Number	ID Number
Title	Title
Name	Name
Telephone number	Telephone number
Cell number	Cell number
Fax number	Fax number
E-mail address	E-mail address
Official responsible for submitting financial information	Official responsible for submitting financial information
ID Number	ID Number
Title	Title
Name	Name
Telephone number	Telephone number
Cell number	Cell number
Fax number	Fax number
E-mail address	E-mail address
Official responsible for submitting financial information	Official responsible for submitting financial information
ID Number	ID Number
Title	Title
Name	Name
Telephone number	Telephone number
Cell number	Cell number
Fax number	Fax number
E-mail address	E-mail address
Official responsible for submitting financial information	Official responsible for submitting financial information
ID Number	ID Number
Title	Title
Name	Name
Telephone number	Telephone number
Cell number	Cell number
Fax number	Fax number
E-mail address	E-mail address
Official responsible for submitting financial information	Official responsible for submitting financial information
ID Number	ID Number
Title	Title
Name	Name
Telephone number	Telephone number
Cell number	Cell number
Fax number	Fax number
E-mail address	E-mail address
Official responsible for submitting financial information	
ID Number	
Title	
Name	
Telephone number	
Cell number	
Fax number	
E-mail address	

DC21 Ugu - Table A1 Budget Summary

Description	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousands										
Financial Performance										
Property rates	–	–	–	–	–	–	–	–	–	–
Service charges	452 900	444 946	502 857	473 915	506 857	506 857	338 916	582 886	556 048	582 849
Investment revenue	8 268	7 470	10 841	11 605	12 424	12 424	8 320	13 033	13 633	14 246
Transfer and subsidies - Operational	571 487	533 163	599 370	753 871	798 827	798 827	476 782	687 107	766 552	808 903
Other own revenue	49 613	56 547	82 393	48 485	73 848	73 848	51 079	84 223	88 098	92 062
Total Revenue (excluding capital transfers and contributions)	1 082 268	1 042 126	1 195 461	1 287 876	1 391 956	1 391 956	875 098	1 367 249	1 424 329	1 498 059
Employee costs	405 001	413 723	516 142	409 846	280 464	280 464	401 838	293 957	307 479	321 316
Remuneration of councillors	9 719	9 809	11 795	11 409	13 693	13 693	8 930	14 364	15 025	15 701
Depreciation and amortisation	229 592	226 978	226 480	220 000	220 000	220 000	146 851	230 780	218 614	207 485
Interest	17 693	22 771	7 380	7 222	4 620	4 620	11 732	4 846	5 069	5 297
Inventory consumed and bulk purchases	166 135	155 058	143 548	128 408	56 498	56 498	102 568	64 687	67 663	70 708
Transfers and subsidies	11 736	2 786	21 650	8 000	–	–	–	–	–	–
Other expenditure	416 215	464 014	529 111	324 871	245 639	245 639	333 703	250 622	262 151	273 948
Total Expenditure	1 256 091	1 295 140	1 456 107	1 109 757	820 915	820 915	1 005 621	859 257	876 001	894 455
Surplus/(Deficit)	(173 823)	(253 014)	(260 646)	178 119	571 041	571 041	(130 524)	507 991	548 328	603 605
Transfers and subsidies - capital (monetary allocations)	241 682	348 809	508 512	454 994	360 477	360 477	280 783	270 733	283 187	295 930
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	67 859	95 795	247 866	633 114	931 518	931 518	150 259	778 724	831 515	899 535
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	67 859	95 795	247 866	633 114	931 518	931 518	150 259	778 724	831 515	899 535
Capital expenditure & funds sources										
Capital expenditure	(586 496)	217 290	394 456	454 992	387 621	387 621	8 653 142	270 733	283 187	295 930
Transfers recognised - capital	(168 711)	217 154	197 930	454 992	371 664	371 664	900 334	270 733	283 187	295 930
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	(417 786)	136	196 526	–	15 958	15 958	7 752 808	–	–	–
Total sources of capital funds	(586 496)	217 290	394 456	454 992	387 621	387 621	8 653 142	270 733	283 187	295 930
Financial position										
Total current assets	297 005	167 395	286 856	884 557	1 048 229	1 048 229	345 768	882 838	1 017 236	1 132 285
Total non current assets	3 409 741	3 465 180	3 640 907	3 741 680	3 807 054	3 807 054	3 731 081	3 690 165	4 078 345	4 503 062
Total current liabilities	761 788	810 280	1 009 739	748 580	522 557	522 557	1 015 103	(552 120)	(348 867)	(278 530)
Total non current liabilities	128 977	118 553	116 778	304 968	285 141	285 141	112 355	(194 481)	(176 973)	(164 716)
Community wealth/Equity	2 945 334	2 976 906	3 013 727	3 634 808	4 143 462	4 143 462	3 015 446	5 306 089	5 643 060	6 056 972
Cash flows										
Net cash from (used) operating	20 993	4 880 612	11 701 993	368 904	745 108	745 108	9 256 932	733 855	936 154	1 017 390
Net cash from (used) investing	–	(310 926)	(602 959)	521 069	414 549	414 549	602 959	(334 719)	(338 381)	(356 898)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	20 993	4 569 686	11 099 034	889 973	1 159 657	1 159 657	9 859 890	412 222	1 009 994	1 670 487
Cash backing/surplus reconciliation										
Cash and investments available	78 294	30 541	11 899	551 123	739 753	739 753	(10 971)	412 132	615 292	688 810
Application of cash and investments	530 243	320 940	528 412	604 362	312 067	312 067	345 815	(617 246)	(536 312)	(471 923)
Balance - surplus (shortfall)	(451 949)	(290 399)	(516 513)	(53 239)	427 686	427 686	(356 786)	1 029 378	1 151 604	1 160 733
Asset management										
Asset register summary (WDV)	607 371	834 120	1 210 016	272 354	202 863	202 863	151 131	151 131	173 865	197 238
Depreciation	225 081	222 639	219 646	220 000	220 000	220 000	220 000	220 000	209 000	198 550
Renewal and Upgrading of Existing Assets	7 490 667	7 541 429	7 667 771	220 289	121 974	121 974	73 000	75 150	76 650	80 483
Repairs and Maintenance	73 351	110 399	97 311	41 650	22 420	22 420	22 420	22 420	26 444	25 226
Free services										
Cost of Free Basic Services provided	–	–	21 697	59 431	59 431	59 431	42 997	45 577	48 312	–
Revenue cost of free services provided	(5 619)	(6 483)	684	(60 605)	(60 606)	(60 606)	(69 696)	(67 196)	(70 932)	–
Households below minimum service level										
Water:	0	0	0	0	0	0	0	0	0	–
Sanitation/sewerage:	0	0	0	0	0	0	0	0	0	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–

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

Functional Classification Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand	1									
Revenue - Functional										
<i>Governance and administration</i>		700 932	681 097	771 498	837 568	817 238	817 238	671 455	712 466	752 063
Executive and council		4 468	3 611	3 319	3 819	3 606	3 606	(2 864)	-	-
Finance and administration		696 464	677 486	768 179	833 749	813 632	813 632	674 319	712 466	752 063
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		2 879	961	7 735	2 264	4 810	4 810	10 827	11 460	12 096
Planning and development		2 856	961	7 729	2 264	3 610	3 610	10 827	11 460	12 096
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		23	-	6	-	1 200	1 200	-	-	-
<i>Trading services</i>		620 469	708 999	924 741	903 039	930 385	930 385	687 513	700 404	733 901
Energy sources		-	-	-	-	-	-	-	-	-
Water management		511 590	591 489	807 969	790 356	806 434	806 434	563 561	570 255	597 244
Waste water management		108 879	117 509	116 772	112 683	123 951	123 951	123 951	130 149	136 656
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	1 324 279	1 391 056	1 703 973	1 742 870	1 752 433	1 752 433	1 369 795	1 424 329	1 498 059
Expenditure - Functional										
<i>Governance and administration</i>		368 011	406 943	435 853	564 111	459 997	459 997	459 847	468 411	445 961
Executive and council		65 985	67 132	80 703	42 447	44 313	44 313	44 313	40 872	39 225
Finance and administration		299 270	339 254	355 149	520 894	415 014	415 014	414 864	426 807	406 042
Internal audit		2 756	556	-	770	670	670	670	732	695
<i>Community and public safety</i>		6 658	2 672	6 750	6 470	10 103	10 103	10 103	7 131	6 917
Community and social services		6 576	2 724	4 497	5 770	9 543	9 543	9 543	6 466	6 286
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		83	(52)	2 254	700	560	560	560	665	632
<i>Economic and environmental services</i>		99 137	218 615	173 439	19 194	10 266	10 266	10 266	10 738	10 223
Planning and development		98 949	217 791	170 992	17 994	9 866	9 866	9 866	9 598	9 140
Road transport		-	-	1 697	-	-	-	-	-	-
Environmental protection		188	825	750	1 200	400	400	400	1 140	1 083
<i>Trading services</i>		846 829	877 954	988 606	519 982	345 678	345 678	379 072	391 414	434 234
Energy sources		-	-	47	-	-	-	-	-	-
Water management		751 888	767 482	781 342	395 001	216 213	216 213	290 311	308 904	355 529
Waste water management		94 940	110 472	207 216	124 981	129 465	129 465	88 761	82 510	78 705
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	1 320 635	1 506 184	1 604 647	1 109 757	826 043	826 043	859 287	877 694	897 336
Surplus/(Deficit) for the year		3 644	(115 128)	99 326	633 114	926 390	926 390	510 508	546 635	600 724

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 functional classification must reconcile to Total Operating Revenue shown in Budgeted Financial Performance (revenue and expenditure)
3. Total Expenditure by Functional Classification must reconcile to Total Operating Expenditure shown in Budgeted Financial Performance (revenue and expenditure)
4. All amounts must be classified under a functional classification. The GFS function 'Other' is only for Abattoirs, Air Transport, Forestry, Licensing and Regulation, 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 A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expe	
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26
R thousand	1								
Revenue - Functional									
Municipal governance and administration		700 932	681 097	771 498	837 568	817 238	817 238	671 455	712 466
Executive and council		4 468	3 611	3 319	3 819	3 606	3 606	(2 864)	-
Mayor and Council		-	-	-	-	-	-	-	-
Municipal Manager, Town Secretary and Chief Executive		4 468	3 611	3 319	3 819	3 606	3 606	(2 864)	-
Finance and administration		696 464	677 486	768 179	833 749	813 632	813 632	674 319	712 466
Administrative and Corporate Support		18 644	23 352	9 840	131 725	178 341	178 341	1 900	2 000
Asset Management		561 073	527 226	607 552	-	-	-	-	-
Finance		116 716	126 878	146 787	702 024	635 291	635 291	672 419	710 466
Fleet Management		-	-	4 000	-	-	-	-	-
Human Resources		-	-	-	-	-	-	-	-
Information Technology		-	-	-	-	-	-	-	-
Legal Services		-	-	-	-	-	-	-	-
Marketing, Customer Relations, Publicity and Media Co-		-	-	-	-	-	-	-	-
Property Services		-	-	-	-	-	-	-	-
Risk Management		30	30	-	-	-	-	-	-
Security Services		-	-	-	-	-	-	-	-
Supply Chain Management		-	-	-	-	-	-	-	-
Valuation Service		-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-
Governance Function		-	-	-	-	-	-	-	-
Community and public safety		-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-
Aged Care		-	-	-	-	-	-	-	-
Agricultural		-	-	-	-	-	-	-	-
Animal Care and Diseases		-	-	-	-	-	-	-	-
Cemeteries, Funeral Parlours and Crematoriums		-	-	-	-	-	-	-	-
Child Care Facilities		-	-	-	-	-	-	-	-
Community Halls and Facilities		-	-	-	-	-	-	-	-
Consumer Protection		-	-	-	-	-	-	-	-
Cultural Matters		-	-	-	-	-	-	-	-
Disaster Management		-	-	-	-	-	-	-	-
Education		-	-	-	-	-	-	-	-
Indigenous and Customary Law		-	-	-	-	-	-	-	-
Industrial Promotion		-	-	-	-	-	-	-	-
Language Policy		-	-	-	-	-	-	-	-
Libraries and Archives		-	-	-	-	-	-	-	-
Literacy Programmes		-	-	-	-	-	-	-	-
Media Services		-	-	-	-	-	-	-	-
Museums and Art Galleries		-	-	-	-	-	-	-	-
Population Development		-	-	-	-	-	-	-	-
Provincial Cultural Matters		-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-
Zoo's		-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-
Beaches and Jetties		-	-	-	-	-	-	-	-
Casinos, Racing, Gambling, Wagering		-	-	-	-	-	-	-	-
Community Parks (including Nurseries)		-	-	-	-	-	-	-	-
Recreational Facilities		-	-	-	-	-	-	-	-
Sports Grounds and Stadiums		-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-
Civil Defence		-	-	-	-	-	-	-	-
Cleansing		-	-	-	-	-	-	-	-
Control of Public Nuisances		-	-	-	-	-	-	-	-
Fencing and Fences		-	-	-	-	-	-	-	-
Fire Fighting and Protection		-	-	-	-	-	-	-	-
Licensing and Control of Animals		-	-	-	-	-	-	-	-
Police Forces, Traffic and Street Parking Control		-	-	-	-	-	-	-	-
Pounds		-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-
Informal Settlements		-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-
Ambulance		-	-	-	-	-	-	-	-
Health Services		-	-	-	-	-	-	-	-
Laboratory Services		-	-	-	-	-	-	-	-
Food Control		-	-	-	-	-	-	-	-
Health Surveillance and Prevention of Communicable Diseases		-	-	-	-	-	-	-	-
Vector Control		-	-	-	-	-	-	-	-
Chemical Safety		-	-	-	-	-	-	-	-

<i>Economic and environmental services</i>	2 879	961	7 735	2 264	4 810	4 810	10 827	11 460
<i>Planning and development</i>	2 856	961	7 729	2 264	3 610	3 610	10 827	11 460
<i>Billboards</i>	–	–	–	–	–	–	–	–
<i>Corporate Wide Strategic Planning (IDPs, LEDIs)</i>	–	310	72	–	–	–	–	–
<i>Central City Improvement District</i>	–	–	–	–	–	–	–	–
<i>Development Facilitation</i>	–	–	–	–	–	–	–	–
<i>Economic Development/Planning</i>	106	199	2 697	2 264	3 610	3 610	1 737	1 823
<i>Regional Planning and Development</i>	2 720	404	4 916	–	–	–	9 091	9 636
<i>Town Planning, Building Regulations and Enforcement, and City</i>	30	47	43	–	–	–	–	–
<i>Project Management Unit</i>	–	–	–	–	–	–	–	–
<i>Provincial Planning</i>	–	–	–	–	–	–	–	–
<i>Support to Local Municipalities</i>	–	–	–	–	–	–	–	–
<i>Road transport</i>	–	–	–	–	–	–	–	–
<i>Public Transport</i>	–	–	–	–	–	–	–	–
<i>Road and Traffic Regulation</i>	–	–	–	–	–	–	–	–
<i>Roads</i>	–	–	–	–	–	–	–	–
<i>Taxi Ranks</i>	–	–	–	–	–	–	–	–
<i>Environmental protection</i>	23	–	6	–	1 200	1 200	–	–
<i>Biodiversity and Landscape</i>	–	–	–	–	–	–	–	–
<i>Coastal Protection</i>	–	–	–	–	–	–	–	–
<i>Indigenous Forests</i>	–	–	–	–	–	–	–	–
<i>Nature Conservation</i>	–	–	–	–	–	–	–	–
<i>Pollution Control</i>	23	–	6	–	1 200	1 200	–	–
<i>Soil Conservation</i>	–	–	–	–	–	–	–	–
<i>Trading services</i>	620 469	708 999	924 741	903 039	930 385	930 385	687 513	700 404
<i>Energy sources</i>	–	–	–	–	–	–	–	–
<i>Electricity</i>	–	–	–	–	–	–	–	–
<i>Street Lighting and Signal Systems</i>	–	–	–	–	–	–	–	–
<i>Nonelectric Energy</i>	–	–	–	–	–	–	–	–
<i>Water management</i>	511 590	591 489	807 969	790 356	806 434	806 434	563 561	570 255
<i>Water Treatment</i>	1 425	7 206	3 267	–	–	–	–	–
<i>Water Distribution</i>	443 355	497 100	569 668	633 303	670 029	670 029	418 994	476 664
<i>Water Storage</i>	66 810	87 183	235 034	157 053	136 405	136 405	144 567	93 591
<i>Waste water management</i>	108 879	117 509	116 772	112 683	123 951	123 951	123 951	130 149
<i>Public Toilets</i>	–	–	–	–	–	–	–	–
<i>Sewerage</i>	108 847	106 988	111 884	112 683	123 951	123 951	123 951	130 149
<i>Storm Water Management</i>	–	–	–	–	–	–	–	–
<i>Waste Water Treatment</i>	31	10 521	4 887	–	–	–	–	–
<i>Waste management</i>	–	–	–	–	–	–	–	–
<i>Recycling</i>	–	–	–	–	–	–	–	–
<i>Solid Waste Disposal (Landfill Sites)</i>	–	–	–	–	–	–	–	–
<i>Solid Waste Removal</i>	–	–	–	–	–	–	–	–
<i>Street Cleaning</i>	–	–	–	–	–	–	–	–
<i>Other</i>	–	–	–	–	–	–	–	–
<i>Abattoirs</i>	–	–	–	–	–	–	–	–
<i>Air Transport</i>	–	–	–	–	–	–	–	–
<i>Forestry</i>	–	–	–	–	–	–	–	–
<i>Licensing and Regulation</i>	–	–	–	–	–	–	–	–
<i>Markets</i>	–	–	–	–	–	–	–	–
<i>Tourism</i>	–	–	–	–	–	–	–	–
Total Revenue - Functional	2 1 324 279	1 391 056	1 703 973	1 742 870	1 752 433	1 752 433	1 369 795	1 424 329

Expenditure - Functional								
<i>Municipal governance and administration</i>	368 011	406 943	435 853	564 111	459 997	459 997	459 847	468 411
Executive and council	65 985	67 132	80 703	42 447	44 313	44 313	44 313	40 872
Mayor and Council	15 763	14 737	19 221	20 385	22 245	22 245	22 245	19 914
Municipal Manager, Town Secretary and Chief Executive	50 222	52 396	61 483	22 062	22 068	22 068	22 068	20 959
Finance and administration	299 270	339 254	355 149	520 894	415 014	415 014	414 864	426 807
Administrative and Corporate Support	86 662	91 730	99 429	57 047	55 171	55 171	55 171	58 977
Asset Management	36 640	1 497	30 382	36 800	34 800	34 800	34 800	35 860
Finance	115 483	177 628	144 342	398 162	299 655	299 655	299 655	304 762
Fleet Management	36 435	44 116	60 268	6 935	6 840	6 840	6 840	6 594
Human Resources	7 262	8 512	7 182	8 120	8 000	8 000	8 000	7 714
Information Technology	15 699	15 319	11 060	11 720	8 705	8 705	8 555	10 897
Legal Services	850	251	1 182	1 600	1 332	1 332	1 332	1 520
Marketing, Customer Relations, Publicity and Media Co-	7	-	2	-	-	-	-	-
Property Services	-	-	-	-	-	-	-	-
Risk Management	-	-	-	-	-	-	-	-
Security Services	-	113	961	-	-	-	-	-
Supply Chain Management	231	88	342	510	510	510	510	485
Valuation Service	-	-	-	-	-	-	-	-
Internal audit	2 756	556	-	770	670	670	670	732
Governance Function	2 756	556	-	770	670	670	670	732
<i>Community and public safety</i>	6 658	2 672	6 750	6 470	10 103	10 103	10 103	7 131
Community and social services	6 576	2 724	4 497	5 770	9 543	9 543	9 543	6 466
Aged Care	1 602	-	-	20	10	10	10	19
Agricultural	-	-	-	-	-	-	-	-
Animal Care and Diseases	-	-	-	-	-	-	-	-
Cemeteries, Funeral Parlours and Crematoriums	91	176	221	200	290	290	290	190
Child Care Facilities	-	-	-	-	-	-	-	-
Community Halls and Facilities	-	-	-	-	-	-	-	-
Consumer Protection	-	-	-	-	-	-	-	-
Cultural Matters	-	-	-	-	-	-	-	-
Disaster Management	3 869	2 265	3 687	5 050	7 729	7 729	7 729	4 750
Education	910	84	177	210	310	310	310	222
Indigenous and Customary Law	-	-	-	-	-	-	-	-
Industrial Promotion	-	-	-	-	-	-	-	-
Language Policy	-	-	-	-	-	-	-	-
Libraries and Archives	-	-	-	-	-	-	-	-
Literacy Programmes	-	-	-	-	-	-	-	-
Media Services	-	-	-	-	-	-	-	-
Museums and Art Galleries	-	-	-	-	-	-	-	-
Population Development	103	200	412	290	1 203	1 203	1 203	1 286
Provincial Cultural Matters	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-
Zoo's	-	-	-	-	-	-	-	-
<i>Sport and recreation</i>	-	-	-	-	-	-	-	-
Beaches and Jetties	-	-	-	-	-	-	-	-
Casinos, Racing, Gambling, Wagering	-	-	-	-	-	-	-	-
Community Parks (including Nurseries)	-	-	-	-	-	-	-	-
Recreational Facilities	-	-	-	-	-	-	-	-
Sports Grounds and Stadiums	-	-	-	-	-	-	-	-
<i>Public safety</i>	-	-	-	-	-	-	-	-
Civil Defence	-	-	-	-	-	-	-	-
Cleansing	-	-	-	-	-	-	-	-
Control of Public Nuisances	-	-	-	-	-	-	-	-
Fencing and Fences	-	-	-	-	-	-	-	-
Fire Fighting and Protection	-	-	-	-	-	-	-	-
Licensing and Control of Animals	-	-	-	-	-	-	-	-
Police Forces, Traffic and Street Parking Control	-	-	-	-	-	-	-	-
Pounds	-	-	-	-	-	-	-	-
<i>Housing</i>	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-
Informal Settlements	-	-	-	-	-	-	-	-
<i>Health</i>	83	(52)	2 254	700	560	560	560	665
Ambulance	-	-	-	-	-	-	-	-
Health Services	51	(103)	2 254	700	560	560	560	665
Laboratory Services	32	48	-	-	-	-	-	-
Food Control	-	-	-	-	-	-	-	-
Health Surveillance and Prevention of Communicable Diseases	-	4	-	-	-	-	-	-
Vector Control	-	-	-	-	-	-	-	-
Chemical Safety	-	-	-	-	-	-	-	-

<i>Economic and environmental services</i>		99 137	218 615	173 439	19 194	10 266	10 266	10 266	10 738
Planning and development		98 949	217 791	170 992	17 994	9 866	9 866	9 866	9 598
Billboards		-	-	-	-	-	-	-	-
Corporate Wide Strategic Planning (IDPs, LEDS)		6 294	428	22 195	8 509	155	155	155	485
Central City Improvement District		-	33	-	-	-	-	-	-
Development Facilitation		-	-	-	-	-	-	-	-
Economic Development/Planning		1 281	1 277	574	5 084	5 085	5 085	5 085	4 906
Regional Planning and Development		90 031	214 490	147 739	507	707	707	707	481
Town Planning, Building Regulations and Enforcement, and City		1 343	1 563	484	3 894	3 894	3 894	3 894	3 699
Project Management Unit		-	-	-	-	-	-	-	-
Provincial Planning		-	-	-	-	-	-	-	-
Support to Local Municipalities		-	-	-	-	26	26	26	27
Road transport		-	-	1 697	-	-	-	-	-
Public Transport		-	-	-	-	-	-	-	-
Road and Traffic Regulation		-	-	-	-	-	-	-	-
Roads		-	-	1 697	-	-	-	-	-
Taxi Ranks		-	-	-	-	-	-	-	-
Environmental protection		188	825	750	1 200	400	400	400	1 140
Biodiversity and Landscape		-	7	-	-	-	-	-	-
Coastal Protection		-	-	-	-	-	-	-	-
Indigenous Forests		-	-	-	-	-	-	-	-
Nature Conservation		-	-	-	-	-	-	-	-
Pollution Control		188	818	750	1 200	400	400	400	1 140
Soil Conservation		-	-	-	-	-	-	-	-
Trading services		846 829	877 954	988 606	519 982	345 678	345 678	379 072	391 414
Energy sources		-	-	47	-	-	-	-	-
Electricity		-	-	47	-	-	-	-	-
Street Lighting and Signal Systems		-	-	-	-	-	-	-	-
Nonelectric Energy		-	-	-	-	-	-	-	-
Water management		751 888	767 482	781 342	395 001	216 213	216 213	290 311	308 904
Water Treatment		22 263	26 250	31 081	167 145	109 122	109 122	1 249	(544)
Water Distribution		643 805	648 428	656 914	212 112	93 755	93 755	275 726	295 808
Water Storage		85 820	92 804	93 347	15 744	13 336	13 336	-	13 640
Waste water management		94 940	110 472	207 216	124 981	129 465	129 465	88 761	82 510
Public Toilets		32 284	64 684	95 654	41 912	44 116	44 116	3 412	3 542
Sewerage		24 540	5 640	52 342	61 839	64 073	64 073	64 073	58 752
Storm Water Management		-	-	-	-	-	-	-	-
Waste Water Treatment		38 117	40 148	59 220	21 231	21 276	21 276	21 276	20 216
Waste management		-	-	-	-	-	-	-	-
Recycling		-	-	-	-	-	-	-	-
Solid Waste Disposal (Landfill Sites)		-	-	-	-	-	-	-	-
Solid Waste Removal		-	-	-	-	-	-	-	-
Street Cleaning		-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-
Air Transport		-	-	-	-	-	-	-	-
Forestry		-	-	-	-	-	-	-	-
Licensing and Regulation		-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-
Tourism		-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	1 320 635	1 506 184	1 604 647	1 109 757	826 043	826 043	859 287	877 694
Surplus/(Deficit) for the year		3 644	(115 128)	99 326	633 114	926 390	926 390	510 508	546 635

References

1. Government Finance Statistics Functions and Sub-functions are standardised to assist national and international accounts and comparison
2. Total Revenue by Functional Classification must reconcile to total operating revenue shown in Financial Performance (revenue and expenditure)
3. Total Expenditure by Functional Classification must reconcile to total operating expenditure shown in Financial Performance (revenue and expenditure)
4. All amounts must be classified under a Functional classification. The GFS function 'Other' is only for Abattoirs, Air Transport, Forestry, Licensing and Regulation, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign relevant classification

check oprev balance	242 010 686	348 930 660	508 511 700	454 994 250	360 477 047	360 477 047	494 697 119	57 080 729
check opexp balance	64 544 291	211 044 794	148 540 582	-	5 127 921	5 127 921	29 764	1 693 013

10 223
9 140
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461
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4 679
457
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434 234
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355 529
6 826
335 725
12 979
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55 815
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19 210
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897 336
600 724

n associate share to

73 729 960
2 881 078

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

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
Revenue by Vote	1									
Vote 1 - Executive and Council		4 468	3 611	3 319	3 819	3 606	3 606	(2 864)	—	—
Vote 2 - Finance and Administration		696 433	677 456	768 179	833 749	813 632	813 632	674 319	712 466	752 063
Vote 3 - Internal Audit		30	30	—	—	—	—	—	—	—
Vote 4 - Community and Social Services		—	—	—	—	—	—	—	—	—
Vote 5 - Sports and recreation		—	—	—	—	—	—	—	—	—
Vote 6 - Public safety		—	—	—	—	—	—	—	—	—
Vote 7 - [NAME OF VOTE 7]		—	—	—	—	—	—	—	—	—
Vote 8 - Health		—	—	—	—	—	—	—	—	—
Vote 9 - Planning and Development		2 856	961	7 729	2 264	3 610	3 610	10 827	11 460	12 096
Vote 10 - Road Transport		—	—	—	—	—	—	—	—	—
Vote 11 - Environmental Protection		23	—	6	—	1 200	1 200	—	—	—
Vote 12 - [NAME OF VOTE 1210]		—	—	—	—	—	—	—	—	—
Vote 13 - Water Management		511 590	591 489	807 969	790 356	806 434	806 434	563 561	570 255	597 244
Vote 14 - Waste Water Management		108 879	117 509	116 772	112 683	123 951	123 951	123 951	130 149	136 656
Vote 15 - Waste Management		—	—	—	—	—	—	—	—	—
Total Revenue by Vote	2	1 324 279	1 391 056	1 703 973	1 742 870	1 752 433	1 752 433	1 369 795	1 424 329	1 498 059
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive and Council		65 985	67 132	80 703	42 447	44 313	44 313	44 313	40 872	39 225
Vote 2 - Finance and Administration		299 270	339 254	355 149	520 894	415 014	415 014	414 864	426 807	406 042
Vote 3 - Internal Audit		2 756	556	—	770	670	670	670	732	695
Vote 4 - Community and Social Services		6 576	2 724	4 497	5 770	9 543	9 543	9 543	6 466	6 286
Vote 5 - Sports and recreation		—	—	—	—	—	—	—	—	—
Vote 6 - Public safety		—	—	—	—	—	—	—	—	—
Vote 7 - [NAME OF VOTE 7]		—	—	—	—	—	—	—	—	—
Vote 8 - Health		83	(52)	2 254	700	560	560	560	665	632
Vote 9 - Planning and Development		98 949	217 791	170 992	17 994	9 866	9 866	9 866	9 598	9 140
Vote 10 - Road Transport		—	—	1 697	—	—	—	—	—	—
Vote 11 - Environmental Protection		188	825	750	1 200	400	400	400	1 140	1 083
Vote 12 - [NAME OF VOTE 1210]		—	—	47	—	—	—	—	—	—
Vote 13 - Water Management		751 888	767 482	781 342	395 001	216 213	216 213	290 311	308 904	146 905
Vote 14 - Waste Water Management		94 940	110 472	207 216	124 981	129 465	129 465	88 761	82 510	78 705
Vote 15 - Waste Management		—	—	—	—	—	—	—	—	—
Total Expenditure by Vote	2	1 320 635	1 506 184	1 604 647	1 109 757	826 043	826 043	859 287	877 694	688 712
Surplus/(Deficit) for the year	2	3 644	(115 128)	99 326	633 114	926 390	926 390	510 508	546 635	809 348

References

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

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

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
Revenue by Vote	1									
Vote 1 - Executive and Council		4 468	3 611	3 319	3 819	3 606	3 606	(2 864)	-	-
1.1 - Mayor and Council		-	-	-	-	-	-	-	-	-
1.2 - Municipal Manager, Town Secretary and Chief Execu		4 468	3 611	3 319	3 819	3 606	3 606	(2 864)	-	-
1.3 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
1.4 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
1.5 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
1.6 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
1.7 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
1.8 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
1.9 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
1.10 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		696 433	677 456	768 179	833 749	813 632	813 632	674 319	712 466	752 063
2.1 - Administrative and Corporate Support		18 644	23 352	9 840	131 725	178 341	178 341	1 900	2 000	2 200
2.2 - Asset Management		561 073	527 226	607 552	-	-	-	-	-	-
2.3 - Finance		116 716	126 878	146 787	702 024	635 291	635 291	672 419	710 466	749 863
2.4 - Fleet Management		-	-	4 000	-	-	-	-	-	-
2.5 - Human Resources		-	-	-	-	-	-	-	-	-
2.6 - Information Technology		-	-	-	-	-	-	-	-	-
2.7 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
2.8 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
2.9 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
2.10 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
Vote 3 - Internal Audit		30	30	-	-	-	-	-	-	-
3.1 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
3.2 - Aged Care		30	30	-	-	-	-	-	-	-
3.3 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
3.4 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
3.5 - Cemeteries, Funeral Parlours and Crematoriums		-	-	-	-	-	-	-	-	-
3.6 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
3.7 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
3.8 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
3.9 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
3.10 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	-	-
4.1 - Aged Care		-	-	-	-	-	-	-	-	-
4.2 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
4.3 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
4.4 - Cemeteries, Funeral Parlours and Crematoriums		-	-	-	-	-	-	-	-	-
4.5 - Child Care Facilities		-	-	-	-	-	-	-	-	-
4.6 - Community Halls and Facilities		-	-	-	-	-	-	-	-	-
4.7 - Population Development		-	-	-	-	-	-	-	-	-
4.8 - Population Development		-	-	-	-	-	-	-	-	-
4.9 - Disaster Management		-	-	-	-	-	-	-	-	-
4.10 - Education		-	-	-	-	-	-	-	-	-
Vote 5 - Sports and recreation		-	-	-	-	-	-	-	-	-
5.1 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
5.2 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
5.3 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
5.4 - Recreational Facilities		-	-	-	-	-	-	-	-	-
5.5 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
5.6 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
5.7 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
5.8 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
5.9 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
5.10 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
Vote 6 - Public safety		-	-	-	-	-	-	-	-	-
6.1 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
6.2 - Cleansing		-	-	-	-	-	-	-	-	-
6.3 - Control of Public Nuisances		-	-	-	-	-	-	-	-	-
6.4 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
6.5 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
6.6 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
6.7 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
6.8 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
6.9 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
6.10 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
7.1 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
7.2 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
7.3 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
7.4 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
7.5 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
7.6 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
7.7 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
7.8 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
7.9 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
7.10 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
Vote 8 - Health		-	-	-	-	-	-	-	-	-
8.1 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
8.2 - Health Services		-	-	-	-	-	-	-	-	-
8.3 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
8.4 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
8.5 - Health Surveillance and Prevention of Communicable		-	-	-	-	-	-	-	-	-
8.6 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
8.7 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
8.8 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
8.9 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
8.10 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		2 856	961	7 729	2 264	3 610	3 610	10 827	11 460	12 096
9.1 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
9.2 - Central City Improvement District		-	310	72	-	-	-	-	-	-

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

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
9.3 - Central City Improvement District		-	-	-	-	-	-	-	-	-
9.4 - Development Facilitation		-	-	-	-	-	-	-	-	-
9.5 - Economic Development/Planning		106	199	2 697	2 264	3 610	3 610	1 737	1 823	1 915
9.6 - Regional Planning and Development		2 720	404	4 916	-	-	-	9 091	9 636	10 182
9.7 - Town Planning, Building Regulations and Enforcement		30	47	43	-	-	-	-	-	-
9.8 - Project Management Unit		-	-	-	-	-	-	-	-	-
9.9 - Provincial Planning		-	-	-	-	-	-	-	-	-
9.10 - Support to Local Municipalities		-	-	-	-	-	-	-	-	-
Vote 10 - Road Transport		-	-	-	-	-	-	-	-	-
10.1 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
10.2 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
10.3 - Roads		-	-	-	-	-	-	-	-	-
10.4 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
10.5 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
10.6 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
10.7 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
10.8 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
10.9 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
10.10 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
Vote 11 - Environmental Protection		23	-	6	-	1 200	1 200	-	-	-
11.1 - Biodiversity and Landscape		-	-	-	-	-	-	-	-	-
11.2 - Coastal Protection		-	-	-	-	-	-	-	-	-
11.3 - Indigenous Forests		-	-	-	-	-	-	-	-	-
11.4 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
11.5 - Pollution Control		23	-	6	-	1 200	1 200	-	-	-
11.6 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
11.7 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
11.8 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
11.9 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
11.10 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 1210]		-	-	-	-	-	-	-	-	-
12.1 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
12.2 - Water Treatment		-	-	-	-	-	-	-	-	-
12.3 - Water Distribution		-	-	-	-	-	-	-	-	-
12.4 - Water Storage		-	-	-	-	-	-	-	-	-
12.5 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
12.6 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
12.7 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
12.8 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
12.9 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
12.10 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
Vote 13 - Water Management		511 590	591 489	807 969	790 356	806 434	806 434	563 561	570 255	597 244
13.1 - Water Treatment		1 425	7 206	3 267	-	-	-	-	-	-
13.2 - Water Distribution		443 355	497 100	569 668	633 303	670 029	670 029	418 994	476 664	498 974
13.3 - Water Storage		66 810	87 183	235 034	157 053	136 405	136 405	144 567	93 591	98 271
13.4 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
13.5 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
13.6 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
13.7 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
13.8 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
13.9 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
13.10 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		108 879	117 509	116 772	112 683	123 951	123 951	123 951	130 149	136 656
14.1 - Public Toilets		-	-	-	-	-	-	-	-	-
14.2 - Sewerage		108 847	106 988	111 884	112 683	123 951	123 951	123 951	130 149	136 656
14.3 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
14.4 - Waste Water Treatment		31	10 521	4 887	-	-	-	-	-	-
14.5 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
14.6 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
14.7 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
14.8 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
14.9 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
14.10 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		-	-	-	-	-	-	-	-	-
15.1 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
15.2 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
15.3 - Solid Waste Removal		-	-	-	-	-	-	-	-	-
15.4 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
15.5 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
15.6 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
15.7 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
15.8 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
15.9 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
15.10 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1 324 279	1 391 056	1 703 973	1 742 870	1 752 433	1 752 433	1 369 795	1 424 329	1 498 059

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

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
Expenditure by Vote	1									
Vote 1 - Executive and Council		65 985	67 132	80 703	42 447	44 313	44 313	44 313	40 872	39 225
1.1 - Mayor and Council		15 763	14 737	19 221	20 385	22 245	22 245	22 245	19 914	19 314
1.2 - Municipal Manager, Town Secretary and Chief Execu		50 222	52 396	61 483	22 062	22 068	22 068	22 068	20 959	19 911
1.3 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
1.4 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
1.5 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
1.6 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
1.7 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
1.8 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
1.9 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
1.10 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		299 270	339 254	355 149	520 894	415 014	415 014	414 864	426 807	406 042
2.1 - Administrative and Corporate Support		86 662	91 730	99 429	57 047	55 171	55 171	55 171	58 977	57 080
2.2 - Asset Management		36 640	1 497	30 382	36 800	34 800	34 800	34 800	35 860	35 012
2.3 - Finance		115 483	177 628	144 342	398 162	299 655	299 655	299 655	304 762	288 100
2.4 - Fleet Management		36 435	44 116	60 268	6 935	6 840	6 840	6 840	6 594	6 264
2.5 - Human Resources		7 262	8 512	7 182	8 120	8 000	8 000	8 000	7 714	7 328
2.6 - Information Technology		15 699	15 319	11 060	11 720	8 705	8 705	8 555	10 897	10 352
2.7 - [Name of sub-vote]		850	251	1 182	1 600	1 332	1 332	1 332	1 520	1 444
2.8 - [Name of sub-vote]		7	-	2	-	-	-	-	-	-
2.9 - [Name of sub-vote]		-	113	961	-	-	-	-	-	-
2.10 - [Name of sub-vote]		231	88	342	510	510	510	510	485	460
Vote 3 - Internal Audit		2 756	556	-	770	670	670	670	732	695
3.1 - [Name of sub-vote]		2 756	556	-	770	670	670	670	732	695
3.2 - Aged Care		-	-	-	-	-	-	-	-	-
3.3 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
3.4 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
3.5 - Cemeteries, Funeral Parlours and Crematoriums		-	-	-	-	-	-	-	-	-
3.6 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
3.7 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
3.8 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
3.9 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
3.10 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		6 576	2 724	4 497	5 770	9 543	9 543	9 543	6 466	6 286
4.1 - Aged Care		1 602	-	-	20	10	10	10	19	18
4.2 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
4.3 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
4.4 - Cemeteries, Funeral Parlours and Crematoriums		91	176	221	200	290	290	290	190	181
4.5 - Child Care Facilities		-	-	-	-	-	-	-	-	-
4.6 - Community Halls and Facilities		-	-	-	-	-	-	-	-	-
4.7 - Population Development		-	-	-	-	-	-	-	-	-
4.8 - Population Development		103	200	412	290	1 203	1 203	1 203	1 286	1 342
4.9 - Disaster Management		3 869	2 265	3 687	5 050	7 729	7 729	7 729	4 750	4 513
4.10 - Education		910	84	177	210	310	310	310	222	233
Vote 5 - Sports and recreation		-	-	-	-	-	-	-	-	-
5.1 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
5.2 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
5.3 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
5.4 - Recreational Facilities		-	-	-	-	-	-	-	-	-
5.5 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
5.6 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
5.7 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
5.8 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
5.9 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
5.10 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
Vote 6 - Public safety		-	-	-	-	-	-	-	-	-
6.1 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
6.2 - Cleansing		-	-	-	-	-	-	-	-	-
6.3 - Control of Public Nuisances		-	-	-	-	-	-	-	-	-
6.4 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
6.5 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
6.6 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
6.7 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
6.8 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
6.9 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
6.10 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
7.1 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
7.2 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
7.3 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
7.4 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
7.5 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
7.6 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
7.7 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
7.8 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
7.9 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
7.10 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
Vote 8 - Health		83	(52)	2 254	700	560	560	560	665	632
8.1 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
8.2 - Health Services		51	(103)	2 254	700	560	560	560	665	632
8.3 - [Name of sub-vote]		32	48	-	-	-	-	-	-	-
8.4 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
8.5 - Health Surveillance and Prevention of Communicable		-	4	-	-	-	-	-	-	-
8.6 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
8.7 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
8.8 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
8.9 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
8.10 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		98 949	217 791	170 992	17 994	9 866	9 866	9 866	9 598	9 140
9.1 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
9.2 - Central City Improvement District		6 294	428	22 195	8 509	155	155	155	485	461

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

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
9.3 - Central City Improvement District		-	33	-	-	-	-	-	-	-
9.4 - Development Facilitation		-	-	-	-	-	-	-	-	-
9.5 - Economic Development/Planning		1 281	1 277	574	5 084	5 085	5 085	5 085	4 906	4 679
9.6 - Regional Planning and Development		90 031	214 490	147 739	507	707	707	707	481	457
9.7 - Town Planning, Building Regulations and Enforcement		1 343	1 563	484	3 894	3 894	3 894	3 894	3 699	3 514
9.8 - Project Management Unit		-	-	-	-	-	-	-	-	-
9.9 - Provincial Planning		-	-	-	-	-	-	-	-	-
9.10 - Support to Local Municipalities		-	-	-	-	26	26	26	27	28
Vote 10 - Road Transport		-	-	1 697	-	-	-	-	-	-
10.1 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
10.2 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
10.3 - Roads		-	-	1 697	-	-	-	-	-	-
10.4 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
10.5 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
10.6 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
10.7 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
10.8 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
10.9 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
10.10 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
Vote 11 - Environmental Protection		188	825	750	1 200	400	400	400	1 140	1 083
11.1 - Biodiversity and Landscape		-	7	-	-	-	-	-	-	-
11.2 - Coastal Protection		-	-	-	-	-	-	-	-	-
11.3 - Indigenous Forests		-	-	-	-	-	-	-	-	-
11.4 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
11.5 - Pollution Control		188	818	750	1 200	400	400	400	1 140	1 083
11.6 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
11.7 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
11.8 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
11.9 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
11.10 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 1210]		-	-	47	-	-	-	-	-	-
12.1 - [Name of sub-vote]		-	-	47	-	-	-	-	-	-
12.2 - Water Treatment		-	-	-	-	-	-	-	-	-
12.3 - Water Distribution		-	-	-	-	-	-	-	-	-
12.4 - Water Storage		-	-	-	-	-	-	-	-	-
12.5 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
12.6 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
12.7 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
12.8 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
12.9 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
12.10 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
Vote 13 - Water Management		751 888	767 482	781 342	395 001	216 213	216 213	290 311	308 904	146 905
13.1 - Water Treatment		22 263	26 250	31 081	167 145	109 122	109 122	1 249	(544)	6 826
13.2 - Water Distribution		643 805	648 428	656 914	212 112	93 755	93 755	275 726	295 808	127 101
13.3 - Water Storage		85 820	92 804	93 347	15 744	13 336	13 336	13 336	13 640	12 979
13.4 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
13.5 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
13.6 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
13.7 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
13.8 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
13.9 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
13.10 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		94 940	110 472	207 216	124 981	129 465	129 465	88 761	82 510	78 705
14.1 - Public Toilets		32 284	64 684	95 654	41 912	44 116	44 116	3 412	3 542	3 679
14.2 - Sewerage		24 540	5 640	52 342	61 839	64 073	64 073	64 073	58 752	55 815
14.3 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
14.4 - Waste Water Treatment		38 117	40 148	59 220	21 231	21 276	21 276	21 276	20 216	19 210
14.5 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
14.6 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
14.7 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
14.8 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
14.9 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
14.10 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		-	-	-	-	-	-	-	-	-
15.1 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
15.2 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
15.3 - Solid Waste Removal		-	-	-	-	-	-	-	-	-
15.4 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
15.5 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
15.6 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
15.7 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
15.8 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
15.9 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
15.10 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	1 320 635	1 506 184	1 604 647	1 109 757	826 043	826 043	859 287	877 694	688 712
Surplus/(Deficit) for the year	2	3 644	(115 128)	99 326	633 114	926 390	926 390	510 508	546 635	809 348

References

1. Insert 'Vote'; e.g. Department, if different to Functional structure
2. Must reconcile to Financial Performance ('Revenue and Expenditure by Functional Classification' and 'Revenue and Expenditure')
3. Assign share in 'associate' to relevant Vote

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

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand	1										
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	344 026	337 897	390 940	361 232	382 906	382 906	257 647	440 342	419 912	440 043
Service charges - Waste Water Management	2	108 875	107 049	111 917	112 683	123 951	123 951	81 269	142 544	136 136	142 806
Service charges - Waste Management	2	-	-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services		1 117	1 222	2 218	-	2 843	2 843	2 927	2 983	3 120	3 260
Agency services		-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		42 719	49 824	56 741	37 768	66 903	66 903	45 940	76 939	80 478	84 099
Interest earned from Current and Non Current Assets		8 268	7 470	10 841	11 605	12 424	12 424	8 320	13 033	13 633	14 246
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		2 163	2 241	2 286	2 264	1 737	1 737	877	1 822	1 905	1 991
Licence and permits		-	-	-	-	-	-	-	-	-	-
Operational Revenue		829	703	15 805	8 453	2 364	2 364	1 335	2 480	2 594	2 711
Non-Exchange Revenue											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-
Licences or permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		571 487	533 163	599 370	753 871	798 827	798 827	476 782	687 107	766 552	808 903
Interest		-	-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		148	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		1 298	2 519	3 744	-	-	-	-	-	-	-
Other Gains		1 339	38	1 600	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contri		1 082 268	1 042 126	1 195 461	1 287 876	1 391 956	1 391 956	875 098	1 367 249	1 424 329	1 498 059
Expenditure											
Employee related costs	2	405 001	413 723	516 142	409 846	280 464	280 464	401 838	293 957	307 479	321 316
Remuneration of councillors		9 719	9 809	11 795	11 409	13 693	13 693	8 930	14 364	15 025	15 701
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	8	166 135	155 058	143 548	128 408	56 498	56 498	102 568	64 687	67 663	70 708
Debt impairment	3	-	-	-	74 453	27 226	27 226	49 630	28 560	29 874	31 218
Depreciation and amortisation		229 592	226 978	226 480	220 000	220 000	220 000	146 851	230 780	218 614	207 485
Interest		17 693	22 771	7 380	7 222	4 620	4 620	11 732	4 846	5 069	5 297
Contracted services		216 136	249 766	317 139	138 693	124 069	124 069	128 510	122 854	128 505	134 288
Transfers and subsidies		11 736	2 786	21 650	8 000	-	-	-	-	-	-
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-
Operational costs		192 157	243 454	204 328	111 726	94 344	94 344	155 588	99 208	103 772	108 441
Losses on disposal of Assets		7 916	(29 214)	7 652	-	-	-	-	-	-	-
Other Losses		5	9	(8)	-	-	-	(26)	-	-	-
Total Expenditure		1 256 091	1 295 140	1 456 107	1 109 757	820 915	820 915	1 005 621	859 257	876 001	894 455
Surplus/(Deficit)		(173 823)	(253 014)	(260 646)	178 119	571 041	571 041	(130 524)	507 991	548 328	603 605
Transfers and subsidies - capital (monetary)	6	241 682	348 809	508 512	454 994	360 477	360 477	280 783	270 733	283 187	295 930
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		67 859	95 795	247 866	633 114	931 518	931 518	150 259	778 724	831 515	899 535
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		67 859	95 795	247 866	633 114	931 518	931 518	150 259	778 724	831 515	899 535
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		67 859	95 795	247 866	633 114	931 518	931 518	150 259	778 724	831 515	899 535
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		329	122	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	68 188	95 917	247 866	633 114	931 518	931 518	150 259	778 724	831 515	899 535

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		-	-	-	-	-	-	-	-	-	-
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Sports and recreation		-	-	-	-	-	-	-	-	-	-
Vote 6 - Public safety		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - Health		-	-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		-	-	-	-	-	-	-	-	-	-
Vote 10 - Road Transport		-	-	-	-	-	-	-	-	-	-
Vote 11 - Environmental Protection		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 1210]		-	-	-	-	-	-	-	-	-	-
Vote 13 - Water Management		-	-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		(160 982)	(45 338)	46 630	-	15 958	15 958	15 958	-	-	-
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Sports and recreation		-	-	-	-	-	-	-	-	-	-
Vote 6 - Public safety		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - Health		-	-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		892	-	(5 904)	-	-	-	-	-	-	-
Vote 10 - Road Transport		-	-	-	-	-	-	-	-	-	-
Vote 11 - Environmental Protection		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 1210]		-	-	-	-	-	-	-	-	-	-
Vote 13 - Water Management		(38 318)	152 350	281 655	335 995	236 901	236 901	236 901	178 966	187 238	195 716
Vote 14 - Waste Water Management		(388 088)	110 278	72 075	118 998	134 762	134 762	134 762	91 767	96 169	100 733
Vote 15 - Waste Management		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		(586 496)	217 290	394 456	454 992	387 621	387 621	387 621	270 733	283 407	296 449
Total Capital Expenditure - Vote		(586 496)	217 290	394 456	454 992	387 621	387 621	387 621	270 733	283 407	296 449
Capital Expenditure - Functional											
Governance and administration		(160 982)	(45 338)	46 630	-	15 958	15 958	6 024 386	-	-	-
Executive and council		-	-	-	-	-	-	-	-	-	-
Finance and administration		(160 982)	(45 338)	46 630	-	15 958	15 958	6 024 386	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		892	-	(5 904)	-	-	-	(4 788)	-	-	-
Planning and development		892	-	(5 904)	-	-	-	(4 788)	-	-	-
Road transport		-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		(426 406)	262 628	353 730	454 992	371 664	371 664	2 633 545	270 733	283 187	295 930
Energy sources		-	-	-	-	-	-	-	-	-	-
Water management		(38 318)	152 350	281 655	335 995	236 901	236 901	936 354	178 966	187 198	195 622
Waste water management		(388 088)	110 278	72 075	118 998	134 762	134 762	1 697 191	91 767	95 989	100 308
Waste management		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	(586 496)	217 290	394 456	454 992	387 621	387 621	8 653 142	270 733	283 187	295 930
Funded by:											
National Government		(168 711)	211 626	192 453	454 992	371 664	371 664	889 330	270 733	283 187	295 930
Provincial Government		-	5 528	5 476	-	-	-	11 005	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	(168 711)	217 154	197 930	454 992	371 664	371 664	900 334	270 733	283 187	295 930
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		(417 786)	136	196 526	-	15 958	15 958	7 752 808	-	-	-
Total Capital Funding	7	(586 496)	217 290	394 456	454 992	387 621	387 621	8 653 142	270 733	283 187	295 930

References

1. 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).
2. Include capital component of PPP unitary payment. Note that capital transfers are only appropriated to municipalities for the budget year
3. Capital expenditure by functional classification must reconcile to the appropriations by vote
4. Must reconcile to supporting table SA20 and to Budgeted Financial Performance (revenue and expenditure)

6. Include finance leases and PPP capital funding component of unitary payment - total borrowing/repayments to reconcile to changes in Table SA17

7. Total Capital Funding must balance with Total Capital Expenditure

8. Include any capitalised interest (MFMA section 46) as part of relevant capital budget

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

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand	1										
Capital expenditure - Municipal Vote											
Multi-year expenditure appropriation	2										
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-
1.1 - Mayor and Council									-	-	-
1.2 - Municipal Manager, Town Secretary and Chief Executive									-	-	-
1.3 - [Name of sub-vote]									-	-	-
1.4 - [Name of sub-vote]									-	-	-
1.5 - [Name of sub-vote]									-	-	-
1.6 - [Name of sub-vote]									-	-	-
1.7 - [Name of sub-vote]									-	-	-
1.8 - [Name of sub-vote]									-	-	-
1.9 - [Name of sub-vote]									-	-	-
1.10 - [Name of sub-vote]									-	-	-
Vote 2 - Finance and Administration		-	-	-	-	-	-	-	-	-	-
2.1 - Administrative and Corporate Support									-	-	-
2.2 - Asset Management									-	-	-
2.3 - Finance									-	-	-
2.4 - Fleet Management									-	-	-
2.5 - Human Resources									-	-	-
2.6 - Information Technology									-	-	-
2.7 - [Name of sub-vote]									-	-	-
2.8 - [Name of sub-vote]									-	-	-
2.9 - [Name of sub-vote]									-	-	-
2.10 - [Name of sub-vote]									-	-	-
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-	-
3.1 - [Name of sub-vote]									-	-	-
3.2 - Aged Care									-	-	-
3.3 - [Name of sub-vote]									-	-	-
3.4 - [Name of sub-vote]									-	-	-
3.5 - Cemeteries, Funeral Parlours and Crematoriums									-	-	-
3.6 - [Name of sub-vote]									-	-	-
3.7 - [Name of sub-vote]									-	-	-
3.8 - [Name of sub-vote]									-	-	-
3.9 - [Name of sub-vote]									-	-	-
3.10 - [Name of sub-vote]									-	-	-
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	-	-	-
4.1 - Aged Care									-	-	-
4.2 - [Name of sub-vote]									-	-	-
4.3 - [Name of sub-vote]									-	-	-
4.4 - Cemeteries, Funeral Parlours and Crematoriums									-	-	-
4.5 - Child Care Facilities									-	-	-
4.6 - Community Halls and Facilities									-	-	-
4.7 - Population Development									-	-	-
4.8 - Population Development									-	-	-
4.9 - Disaster Management									-	-	-
4.10 - Education									-	-	-
Vote 5 - Sports and recreation		-	-	-	-	-	-	-	-	-	-
5.1 - [Name of sub-vote]									-	-	-
5.2 - [Name of sub-vote]									-	-	-
5.3 - [Name of sub-vote]									-	-	-
5.4 - Recreational Facilities									-	-	-
5.5 - [Name of sub-vote]									-	-	-
5.6 - [Name of sub-vote]									-	-	-
5.7 - [Name of sub-vote]									-	-	-
5.8 - [Name of sub-vote]									-	-	-
5.9 - [Name of sub-vote]									-	-	-
5.10 - [Name of sub-vote]									-	-	-
Vote 6 - Public safety		-	-	-	-	-	-	-	-	-	-
6.1 - [Name of sub-vote]									-	-	-
6.2 - Cleansing									-	-	-
6.3 - Control of Public Nuisances									-	-	-
6.4 - [Name of sub-vote]									-	-	-
6.5 - [Name of sub-vote]									-	-	-
6.6 - [Name of sub-vote]									-	-	-
6.7 - [Name of sub-vote]									-	-	-
6.8 - [Name of sub-vote]									-	-	-
6.9 - [Name of sub-vote]									-	-	-
6.10 - [Name of sub-vote]									-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
7.1 - [Name of sub-vote]									-	-	-
7.2 - [Name of sub-vote]									-	-	-
7.3 - [Name of sub-vote]									-	-	-
7.4 - [Name of sub-vote]									-	-	-
7.5 - [Name of sub-vote]									-	-	-
7.6 - [Name of sub-vote]									-	-	-
7.7 - [Name of sub-vote]									-	-	-
7.8 - [Name of sub-vote]									-	-	-
7.9 - [Name of sub-vote]									-	-	-
7.10 - [Name of sub-vote]									-	-	-

Vote 8 - Health	-	-	-	-	-	-	-	-	-	-	-	-
8.1 - [Name of sub-vote]												
8.2 - Health Services												
8.3 - [Name of sub-vote]												
8.4 - [Name of sub-vote]												
8.5 - Health Surveillance and Prevention of Communicable Diseases including immunizations												
8.6 - [Name of sub-vote]												
8.7 - [Name of sub-vote]												
8.8 - [Name of sub-vote]												
8.9 - [Name of sub-vote]												
8.10 - [Name of sub-vote]												
Vote 9 - Planning and Development	-	-	-	-	-	-	-	-	-	-	-	-
9.1 - [Name of sub-vote]												
9.2 - Central City Improvement District												
9.3 - Central City Improvement District												
9.4 - Development Facilitation												
9.5 - Economic Development/Planning												
9.6 - Regional Planning and Development												
9.7 - Town Planning, Building Regulations and Enforcement, and City Engineer												
9.8 - Project Management Unit												
9.9 - Provincial Planning												
9.10 - Support to Local Municipalities												
Vote 10 - Road Transport	-	-	-	-	-	-	-	-	-	-	-	-
10.1 - [Name of sub-vote]												
10.2 - [Name of sub-vote]												
10.3 - Roads												
10.4 - [Name of sub-vote]												
10.5 - [Name of sub-vote]												
10.6 - [Name of sub-vote]												
10.7 - [Name of sub-vote]												
10.8 - [Name of sub-vote]												
10.9 - [Name of sub-vote]												
10.10 - [Name of sub-vote]												
Vote 11 - Environmental Protection	-	-	-	-	-	-	-	-	-	-	-	-
11.1 - Biodiversity and Landscape												
11.2 - Coastal Protection												
11.3 - Indigenous Forests												
11.4 - [Name of sub-vote]												
11.5 - Pollution Control												
11.6 - [Name of sub-vote]												
11.7 - [Name of sub-vote]												
11.8 - [Name of sub-vote]												
11.9 - [Name of sub-vote]												
11.10 - [Name of sub-vote]												
Vote 12 - [NAME OF VOTE 1210]	-	-	-	-	-	-	-	-	-	-	-	-
12.1 - [Name of sub-vote]												
12.2 - Water Treatment												
12.3 - Water Distribution												
12.4 - Water Storage												
12.5 - [Name of sub-vote]												
12.6 - [Name of sub-vote]												
12.7 - [Name of sub-vote]												
12.8 - [Name of sub-vote]												
12.9 - [Name of sub-vote]												
12.10 - [Name of sub-vote]												
Vote 13 - Water Management	-	-	-	-	-	-	-	-	-	-	-	-
13.1 - Water Treatment												
13.2 - Water Distribution												
13.3 - Water Storage												
13.4 - [Name of sub-vote]												
13.5 - [Name of sub-vote]												
13.6 - [Name of sub-vote]												
13.7 - [Name of sub-vote]												
13.8 - [Name of sub-vote]												
13.9 - [Name of sub-vote]												
13.10 - [Name of sub-vote]												
Vote 14 - Waste Water Management	-	-	-	-	-	-	-	-	-	-	-	-
14.1 - Public Toilets												
14.2 - Sewerage												
14.3 - [Name of sub-vote]												
14.4 - Waste Water Treatment												
14.5 - [Name of sub-vote]												
14.6 - [Name of sub-vote]												
14.7 - [Name of sub-vote]												
14.8 - [Name of sub-vote]												
14.9 - [Name of sub-vote]												
14.10 - [Name of sub-vote]												
Vote 15 - Waste Management	-	-	-	-	-	-	-	-	-	-	-	-
15.1 - [Name of sub-vote]												
15.2 - [Name of sub-vote]												
15.3 - Solid Waste Removal												
15.4 - [Name of sub-vote]												
15.5 - [Name of sub-vote]												
15.6 - [Name of sub-vote]												
15.7 - [Name of sub-vote]												
15.8 - [Name of sub-vote]												
15.9 - [Name of sub-vote]												
15.10 - [Name of sub-vote]												
Capital multi-year expenditure sub-total	-	-	-	-	-	-	-	-	-	-	-	-

Capital expenditure - Municipal Vote	2										
Single-year expenditure appropriation											
Vote 1 - Executive and Council											
1.1 - Mayor and Council											
1.2 - Municipal Manager, Town Secretary and Chief Executive Officer											
1.3 - [Name of sub-vote]											
1.4 - [Name of sub-vote]											
1.5 - [Name of sub-vote]											
1.6 - [Name of sub-vote]											
1.7 - [Name of sub-vote]											
1.8 - [Name of sub-vote]											
1.9 - [Name of sub-vote]											
1.10 - [Name of sub-vote]											
Vote 2 - Finance and Administration	(160 982)	(45 338)	46 630		15 958	15 958	15 958				
2.1 - Administrative and Corporate Support	7	1 466	11 753		8 671	8 671	8 671				
2.2 - Asset Management	(96 878)	(70 151)	6 585								
2.3 - Finance	(59 054)	9 314	23 903		6 055	6 055	6 055				
2.4 - Fleet Management	(6 959)	13 219	4 157								
2.5 - Human Resources											
2.6 - Information Technology	1 902	813	232		1 232	1 232	1 232				
2.7 - [Name of sub-vote]											
2.8 - [Name of sub-vote]											
2.9 - [Name of sub-vote]											
2.10 - [Name of sub-vote]											
Vote 3 - Internal Audit											
3.1 - [Name of sub-vote]											
3.2 - Aged Care											
3.3 - [Name of sub-vote]											
3.4 - [Name of sub-vote]											
3.5 - Cemeteries, Funeral Parlours and Crematoriums											
3.6 - [Name of sub-vote]											
3.7 - [Name of sub-vote]											
3.8 - [Name of sub-vote]											
3.9 - [Name of sub-vote]											
3.10 - [Name of sub-vote]											
Vote 4 - Community and Social Services											
4.1 - Aged Care											
4.2 - [Name of sub-vote]											
4.3 - [Name of sub-vote]											
4.4 - Cemeteries, Funeral Parlours and Crematoriums											
4.5 - Child Care Facilities											
4.6 - Community Halls and Facilities											
4.7 - Population Development											
4.8 - Population Development											
4.9 - Disaster Management											
4.10 - Education											
Vote 5 - Sports and recreation											
5.1 - [Name of sub-vote]											
5.2 - [Name of sub-vote]											
5.3 - [Name of sub-vote]											
5.4 - Recreational Facilities											
5.5 - [Name of sub-vote]											
5.6 - [Name of sub-vote]											
5.7 - [Name of sub-vote]											
5.8 - [Name of sub-vote]											
5.9 - [Name of sub-vote]											
5.10 - [Name of sub-vote]											
Vote 6 - Public safety											
6.1 - [Name of sub-vote]											
6.2 - Cleansing											
6.3 - Control of Public Nuisances											
6.4 - [Name of sub-vote]											
6.5 - [Name of sub-vote]											
6.6 - [Name of sub-vote]											
6.7 - [Name of sub-vote]											
6.8 - [Name of sub-vote]											
6.9 - [Name of sub-vote]											
6.10 - [Name of sub-vote]											
Vote 7 - [NAME OF VOTE 7]											
7.1 - [Name of sub-vote]											
7.2 - [Name of sub-vote]											
7.3 - [Name of sub-vote]											
7.4 - [Name of sub-vote]											
7.5 - [Name of sub-vote]											
7.6 - [Name of sub-vote]											
7.7 - [Name of sub-vote]											
7.8 - [Name of sub-vote]											
7.9 - [Name of sub-vote]											
7.10 - [Name of sub-vote]											
Vote 8 - Health											
8.1 - [Name of sub-vote]											
8.2 - Health Services											
8.3 - [Name of sub-vote]											
8.4 - [Name of sub-vote]											
8.5 - Health Surveillance and Prevention of Communicable Diseases											
8.6 - [Name of sub-vote]											
8.7 - [Name of sub-vote]											
8.8 - [Name of sub-vote]											
8.9 - [Name of sub-vote]											
8.10 - [Name of sub-vote]											

Vote 9 - Planning and Development	892	-	(5 904)	-	-	-	-	-	-	-
9.1 - [Name of sub-vote]	-	-	-	-	-	-	-	-	-	-
9.2 - Central City Improvement District	892	-	(5 904)	-	-	-	-	-	-	-
9.3 - Central City Improvement District	-	-	-	-	-	-	-	-	-	-
9.4 - Development Facilitation	-	-	-	-	-	-	-	-	-	-
9.5 - Economic Development/Planning	-	-	-	-	-	-	-	-	-	-
9.6 - Regional Planning and Development	-	-	-	-	-	-	-	-	-	-
9.7 - Town Planning, Building Regulations and Enforc	-	-	-	-	-	-	-	-	-	-
9.8 - Project Management Unit	-	-	-	-	-	-	-	-	-	-
9.9 - Provincial Planning	-	-	-	-	-	-	-	-	-	-
9.10 - Support to Local Municipalities	-	-	-	-	-	-	-	-	-	-
Vote 10 - Road Transport	-	-	-	-	-	-	-	-	-	-
10.1 - [Name of sub-vote]	-	-	-	-	-	-	-	-	-	-
10.2 - [Name of sub-vote]	-	-	-	-	-	-	-	-	-	-
10.3 - Roads	-	-	-	-	-	-	-	-	-	-
10.4 - [Name of sub-vote]	-	-	-	-	-	-	-	-	-	-
10.5 - [Name of sub-vote]	-	-	-	-	-	-	-	-	-	-
10.6 - [Name of sub-vote]	-	-	-	-	-	-	-	-	-	-
10.7 - [Name of sub-vote]	-	-	-	-	-	-	-	-	-	-
10.8 - [Name of sub-vote]	-	-	-	-	-	-	-	-	-	-
10.9 - [Name of sub-vote]	-	-	-	-	-	-	-	-	-	-
10.10 - [Name of sub-vote]	-	-	-	-	-	-	-	-	-	-
Vote 11 - Environmental Protection	-	-	-	-	-	-	-	-	-	-
11.1 - Biodiversity and Landscape	-	-	-	-	-	-	-	-	-	-
11.2 - Coastal Protection	-	-	-	-	-	-	-	-	-	-
11.3 - Indigenous Forests	-	-	-	-	-	-	-	-	-	-
11.4 - [Name of sub-vote]	-	-	-	-	-	-	-	-	-	-
11.5 - Pollution Control	-	-	-	-	-	-	-	-	-	-
11.6 - [Name of sub-vote]	-	-	-	-	-	-	-	-	-	-
11.7 - [Name of sub-vote]	-	-	-	-	-	-	-	-	-	-
11.8 - [Name of sub-vote]	-	-	-	-	-	-	-	-	-	-
11.9 - [Name of sub-vote]	-	-	-	-	-	-	-	-	-	-
11.10 - [Name of sub-vote]	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 1210]	-	-	-	-	-	-	-	-	-	-
12.1 - [Name of sub-vote]	-	-	-	-	-	-	-	-	-	-
12.2 - Water Treatment	-	-	-	-	-	-	-	-	-	-
12.3 - Water Distribution	-	-	-	-	-	-	-	-	-	-
12.4 - Water Storage	-	-	-	-	-	-	-	-	-	-
12.5 - [Name of sub-vote]	-	-	-	-	-	-	-	-	-	-
12.6 - [Name of sub-vote]	-	-	-	-	-	-	-	-	-	-
12.7 - [Name of sub-vote]	-	-	-	-	-	-	-	-	-	-
12.8 - [Name of sub-vote]	-	-	-	-	-	-	-	-	-	-
12.9 - [Name of sub-vote]	-	-	-	-	-	-	-	-	-	-
12.10 - [Name of sub-vote]	-	-	-	-	-	-	-	-	-	-
Vote 13 - Water Management	(38 318)	152 350	281 655	335 995	236 901	236 901	236 901	178 966	187 238	195 716
13.1 - Water Treatment	113 779	54 788	280 018	190 887	107 345	107 345	107 345	70 000	73 220	76 515
13.2 - Water Distribution	(52 057)	85 127	(26 094)	129 158	99 641	99 641	99 641	98 966	103 518	108 177
13.3 - Water Storage	(100 040)	12 435	27 731	15 950	29 916	29 916	29 916	10 000	10 500	11 025
13.4 - [Name of sub-vote]	-	-	-	-	-	-	-	-	-	-
13.5 - [Name of sub-vote]	-	-	-	-	-	-	-	-	-	-
13.6 - [Name of sub-vote]	-	-	-	-	-	-	-	-	-	-
13.7 - [Name of sub-vote]	-	-	-	-	-	-	-	-	-	-
13.8 - [Name of sub-vote]	-	-	-	-	-	-	-	-	-	-
13.9 - [Name of sub-vote]	-	-	-	-	-	-	-	-	-	-
13.10 - [Name of sub-vote]	-	-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management	(388 088)	110 278	72 075	118 998	134 762	134 762	134 762	91 767	96 169	100 733
14.1 - Public Toilets	-	-	-	-	-	-	-	-	-	-
14.2 - Sewerage	(477 257)	106 709	54 434	53 980	46 061	46 061	46 061	46 767	48 919	51 120
14.3 - [Name of sub-vote]	-	-	-	-	-	-	-	-	-	-
14.4 - Waste Water Treatment	89 168	3 570	17 641	65 018	88 701	88 701	88 701	45 000	47 250	49 613
14.5 - [Name of sub-vote]	-	-	-	-	-	-	-	-	-	-
14.6 - [Name of sub-vote]	-	-	-	-	-	-	-	-	-	-
14.7 - [Name of sub-vote]	-	-	-	-	-	-	-	-	-	-
14.8 - [Name of sub-vote]	-	-	-	-	-	-	-	-	-	-
14.9 - [Name of sub-vote]	-	-	-	-	-	-	-	-	-	-
14.10 - [Name of sub-vote]	-	-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management	-	-	-	-	-	-	-	-	-	-
15.1 - [Name of sub-vote]	-	-	-	-	-	-	-	-	-	-
15.2 - [Name of sub-vote]	-	-	-	-	-	-	-	-	-	-
15.3 - Solid Waste Removal	-	-	-	-	-	-	-	-	-	-
15.4 - [Name of sub-vote]	-	-	-	-	-	-	-	-	-	-
15.5 - [Name of sub-vote]	-	-	-	-	-	-	-	-	-	-
15.6 - [Name of sub-vote]	-	-	-	-	-	-	-	-	-	-
15.7 - [Name of sub-vote]	-	-	-	-	-	-	-	-	-	-
15.8 - [Name of sub-vote]	-	-	-	-	-	-	-	-	-	-
15.9 - [Name of sub-vote]	-	-	-	-	-	-	-	-	-	-
15.10 - [Name of sub-vote]	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	(586 496)	217 290	394 456	454 992	387 621	387 621	387 621	270 733	283 407	296 449
Total Capital Expenditure	(586 496)	217 290	394 456	454 992	387 621	387 621	387 621	270 733	283 407	296 449

DC21 Ugu - Table A6 Budgeted Financial Position

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand											
ASSETS											
Current assets											
Cash and cash equivalents		78 294	30 541	11 899	551 123	739 753	739 753	(10 972)	412 132	615 292	688 818
Trade and other receivables from exchange transactions	1	137 750	84 207	202 929	299 219	292 566	292 566	300 130	271 253	174 607	196 965
Receivables from non-exchange transactions	1	(41 842)	(41 709)	(41 709)	13 554	9 470	9 470	(41 709)	9 470	14 367	15 180
Current portion of non-current receivables		3 082	2 627	2 556	66	66	66	2 362	66	70	74
Inventory	2	13 743	13 075	16 475	14 068	14 807	14 807	17 707	6 617	16 266	25 026
VAT		105 389	78 147	94 382	7 528	(8 432)	(8 432)	75 994	183 301	196 635	206 230
Other current assets		589	507	324	—	—	—	2 285	—	—	—
Total current assets		297 005	187 395	286 856	884 557	1 048 229	1 048 229	345 768	882 838	1 017 236	1 132 285
Non current assets											
Investments		0	0	100.00	—	—	—	0	—	—	—
Investment property		33 106	33 044	28 000 000.00	34 244	28 000	28 000	28 000	28 000	30 900	33 880
Property, plant and equipment	3	3 367 289	3 424 255	3 599 470	3 699 369	3 766 790	3 766 790	3 690 594	3 649 902	4 034 340	4 454 897
Biological assets		—	—	—	—	—	—	—	—	—	—
Living and non-living resources		—	—	—	—	—	—	—	—	—	—
Heritage assets		—	—	—	—	—	—	—	—	—	—
Intangible assets		3 938	2 659	6 783	2 559	6 683	6 683	4 855	6 683	7 366	8 117
Trade and other receivables from exchange transactions		6 283	5 500	6 932	—	—	—	7 911	—	—	—
Non-current receivables from non-exchange transactions		(875)	(279)	(279)	5 508	5 581	5 581	(279)	5 581	5 838	6 169
Other non-current assets		0	0	0	—	—	—	0	—	—	—
Total non current assets		3 409 741	3 485 180	3 640 907	3 741 880	3 807 054	3 807 054	3 731 081	3 690 165	4 078 345	4 503 082
TOTAL ASSETS		3 706 746	3 672 574	3 927 763	4 626 437	4 855 282	4 855 282	4 076 849	4 573 003	5 095 581	5 635 367
LIABILITIES											
Current liabilities											
Bank over/under		—	—	—	—	—	—	—	—	—	—
Financial liabilities		9 853	225 762	173 995	—	—	—	173 995	(6 270)	(5 643)	(5 079)
Consumer deposits		21 888	21 967	22 237	21 967	—	—	22 548	—	—	—
Trade and other payables from exchange transactions	4	530 243	332 891	543 270	657 136	376 141	376 141	386 284	(589 855)	(481 325)	(405 652)
Trade and other payables from non-exchange transactions	5	3 643	7 930	1 378	2 500	46 616	46 616	93 491	57 644	152 966	146 960
Provision		76 664	79 761	90 140	4 740	6 954	6 954	131 186	(6 954)	(7 649)	(8 414)
VAT		119 598	141 981	178 719	62 237	92 846	92 846	205 600	(6 685)	(7 216)	(6 344)
Other current liabilities		—	—	—	—	—	—	—	—	—	—
Total current liabilities		761 788	810 280	1 009 739	748 580	522 557	522 557	1 015 103	(552 120)	(348 867)	(278 530)
Non current liabilities											
Financial liabilities	6	44 736	39 690	34 271	201 591	149 016	149 016	29 848	(149 106)	(127 060)	(109 812)
Provision	7	64 808	62 119	63 941	86 633	90 750	90 750	63 941	—	(4 638)	(9 529)
Long term portion of trade payables		—	—	—	—	—	—	—	—	—	—
Other non-current liabilities		19 423	19 744	18 566	16 744	45 375	45 375	18 566	(45 375)	(45 375)	(45 375)
Total non current liabilities		128 977	118 553	116 776	304 969	285 141	285 141	112 355	(194 483)	(176 873)	(164 715)
TOTAL LIABILITIES		890 765	928 832	1 126 515	1 053 548	807 698	807 698	1 127 458	(746 601)	(525 940)	(443 245)
NET ASSETS		2 815 981	2 703 742	2 801 248	3 572 889	4 047 584	4 047 584	2 949 391	5 319 604	5 621 420	6 078 593
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	2 945 334	2 976 906	3 013 727	3 863 891	4 143 462	4 143 462	3 015 446	5 312 359	5 648 703	6 062 051
Reserves and funds	9	—	—	—	(229 083)	—	—	—	(6 270)	(5 643)	(5 079)
Other		—	—	—	—	—	—	—	—	—	—
TOTAL COMMUNITY WEALTH/EQUITY	10	2 945 334	2 976 906	3 013 727	3 634 808	4 143 462	4 143 462	3 015 446	5 306 089	5 643 060	6 056 972

References

1. Detail breakdown in Table SA3 for Trade receivables from Exchange and Non-exchange transactions

2. Include completed low cost housing to be transferred to beneficiaries within 12 months detail provided in Table SA3

3. Include 'Construction work-in-progress' (disclosed separately in annual financial statements) detail in SA3

4. Detail breakdown in Table SA3

5. Detail breakdown in Table SA3

DC21 Ugu - Table A7 Budgeted Cash Flows

DC21 Q4 - Table A7: Budgeted Cash Flows											
Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 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 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		–	–	–	–	–	–	–	–	–	–
Service charges		–	1 245 538	2 787 156	315 135	524 681	524 681	3 686 896	468 924	614 767	645 017
Other revenue		–	–	–	120 425	112 817	112 817	–	(103 384)	(111 943)	(118 313)
Transfers and Subsidies - Operational	1	37 781	2 623 352	6 802 723	756 371	803 347	803 347	7 824 318	734 435	789 136	832 286
Transfers and Subsidies - Capital	1	5 479	277 190	283 796	454 994	402 573	402 573	288 699	275 321	312 767	315 017
Interest		–	–	–	11 605	12 424	12 424	–	12 424	13 046	13 698
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(22 268)	734 533	1 828 318	(1 274 405)	(1 103 159)	(1 103 159)	(2 542 981)	(649 290)	(677 680)	(666 575)
Interest		–	–	–	(7 222)	(7 575)	(7 575)	–	(4 575)	(3 938)	(3 741)
Transfers and Subsidies	1	–	–	–	(8 000)	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		20 993	4 880 612	11 701 993	368 904	745 108	745 108	9 256 932	733 855	936 154	1 017 390
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	(330)
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		–	(310 926)	(602 959)	521 069	414 549	414 549	602 959	(334 719)	(338 381)	(356 567)
NET CASH FROM/(USED) INVESTING ACTIVITIES		–	(310 926)	(602 959)	521 069	414 549	414 549	602 959	(334 719)	(338 381)	(356 898)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–
Payments											
Repayment of borrowing		–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	–	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD		20 993	4 569 686	11 099 034	889 973	1 159 657	1 159 657	9 859 890	399 135	597 773	660 493
Cash/cash equivalents at the year begin:	2	–	–	–	–	–	–	–	13 086	412 222	1 009 994
Cash/cash equivalents at the year end:	2	20 993	4 569 686	11 099 034	889 973	1 159 657	1 159 657	9 859 890	412 222	1 009 994	1 670 487

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
3. The MTREF is populated directly from SA30.

Total receipts	43 260	4 146 079	9 873 675	1 658 531	1 855 843	1 855 843	11 799 913	1 387 720	1 617 772	1 687 376
Total payments	(22 268)	423 607	1 225 359	(768 558)	(696 186)	(696 186)	(1 940 022)	(988 585)	(1 019 999)	(1 026 883)
	20 993	4 569 686	11 099 034	889 973	1 159 657	1 159 657	9 859 890	399 135	597 773	660 493

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand											
<u>Cash and investments available</u>											
Cash/cash equivalents at the year end	1	20 993	4 569 686	11 099 034	889 973	1 159 657	1 159 657	9 859 890	412 222	1 009 994	1 670 487
Other current investments > 90 days		57 301	(4 539 145)	(11 087 135)	(338 850)	(419 904)	(419 904)	(9 870 862)	(90)	(394 703)	(981 677)
<u>Non current Investments</u>	1	0	0	0	–	–	–	0	–	–	–
Cash and investments available:		78 294	30 541	11 899	551 123	739 753	739 753	(10 971)	412 132	615 292	688 810
<u>Application of cash and investments</u>											
Unspent conditional transfers		–	–	–	2 500	–	–	–	–	–	–
Unspent borrowing											
Statutory requirements	2										
Other working capital requirements	3	530 243	320 940	528 412	601 862	312 067	312 067	345 815	(617 246)	(536 312)	(471 923)
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		530 243	320 940	528 412	604 362	312 067	312 067	345 815	(617 246)	(536 312)	(471 923)
Surplus(shortfall) - Excluding Non-Current Creditors Trf to		(451 949)	(290 399)	(516 513)	(53 239)	427 686	427 686	(356 786)	1 029 378	1 151 604	1 160 733
Creditors transferred to Debt Relief - Non-Current portion		–	–	–	–	–	–	–	–	–	–
Surplus(shortfall) - Including Non-Current Creditors Trf to		(451 949)	(290 399)	(516 513)	(53 239)	427 686	427 686	(356 786)	1 029 378	1 151 604	1 160 733

1. Must reconcile with Budgeted CashFlows
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 - Total Reserves to be backed by cash/investments excl Valuation reserve

Debtors	-	11 951	14 858	55 274	64 074	64 074	42 469	27 391	54 987	66 271
Creditors due	530 243	332 891	543 270	657 136	376 141	376 141	388 284	(589 855)	(481 325)	(405 652)
Total	(530 243)	(320 940)	(528 412)	(601 862)	(312 067)	(312 067)	(345 815)	617 246	536 312	471 923

Balance outstanding - debtors	5 007	4 410	2 766	61 865	52 276	52 276	3 998	44 087	61 432	74 086
Estimate of debtors collection rate	0.0%	271.0%	537.2%	89.3%	122.6%	122.6%	1062.2%	62.1%	89.5%	89.5%

Balance (Insert description; eg sinking fund)

[illegible]

Housing Development Fund	-	-	-	-	-	-	-	-	-
Capital replacement									
Self-insurance									
Compensation for Occupational Injuries and Diseases									
Employee Benefit reserve									
Non-current Provisions reserve									
Valuation roll reserve									
Investment in associate account									
Capitalisation									

6. Above reserves do not include Revaluation reserve. Revaluation reserve not required to be cash backed

DC21 Ugu - Table A9 Asset Management

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
CAPITAL EXPENDITURE										
<u>Total New Assets</u>	1	314 684	481 212	749 325	234 703	265 647	265 647	197 733	207 620	218 001
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		(34 799)	26 019	32 279	152 223	151 586	151 586	108 966	114 414	120 135
Sanitation Infrastructure		60 076	168 261	230 791	82 480	98 103	98 103	88 767	93 206	97 866
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		4 290	4 290	4 290	-	-	-	-	-	-
Infrastructure		29 568	198 570	267 360	234 703	249 689	249 689	197 733	207 620	218 001
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		(5 760)	3 554	27 457	-	6 055	6 055	-	-	-
Housing		144	144	144	-	-	-	-	-	-
Other Assets		(5 616)	3 698	27 601	-	6 055	6 055	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		9 838	9 838	9 838	-	-	-	-	-	-
Intangible Assets		9 838	9 838	9 838	-	-	-	-	-	-
Computer Equipment		3 663	4 477	4 709	-	1 232	1 232	-	-	-
Furniture and Office Equipment		2 053	3 518	4 883	-	4	4	-	-	-
Machinery and Equipment		153 672	196 536	355 815	-	-	-	-	-	-
Transport Assets		157 822	100 890	115 435	-	8 667	8 667	-	-	-
Land		(36 315)	(36 315)	(36 315)	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
<u>Total Renewal of Existing Assets</u>	2	7 199 802	7 198 961	7 205 546	-	-	-	30 000	31 500	33 075
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		6 991	6 991	6 991	-	-	-	30 000	31 500	33 075
Sanitation Infrastructure		7 071 204	7 070 363	7 070 363	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		7 078 195	7 077 354	7 077 354	-	-	-	30 000	31 500	33 075
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		6 355	6 355	6 355	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		6 355	6 355	6 355	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		2 659	2 659	2 659	-	-	-	-	-	-
Licences and Rights		8 300	8 300	14 884	-	-	-	-	-	-
Intangible Assets		10 959	10 959	17 544	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		81 225	81 225	81 225	-	-	-	-	-	-
Machinery and Equipment		17 519	17 519	17 519	-	-	-	-	-	-
Transport Assets		5 549	5 549	5 549	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-

Total Upgrading of Existing Assets	6	290 865	342 468	462 226	220 289	121 974	121 974	43 000	45 150	47 408
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	5 528	7 527	-	-	-	-	-	-
Water Supply Infrastructure		160 251	206 326	321 384	191 288	110 433	110 433	43 000	45 150	47 408
Sanitation Infrastructure		-	-	8 605	29 002	11 541	11 541	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		160 251	211 854	337 516	220 289	121 974	121 974	43 000	45 150	47 408
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		(0)	(0)	(0)	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		(0)	(0)	(0)	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		84 228	84 228	84 228	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		45 446	45 446	39 543	-	-	-	-	-	-
Transport Assets		940	940	940	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	7 805 351	8 022 641	8 417 096	454 992	387 621	387 621	270 733	284 270	298 483
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	5 528	7 527	-	-	-	-	-	-
Water Supply Infrastructure		132 444	239 336	360 654	343 511	262 019	262 019	181 966	191 064	200 617
Sanitation Infrastructure		7 131 281	7 238 624	7 309 759	111 482	109 644	109 644	88 767	93 206	97 866
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		4 290	4 290	4 290	-	-	-	-	-	-
Infrastructure		7 268 014	7 487 778	7 682 230	454 992	371 664	371 664	270 733	284 270	298 483
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		595	9 909	33 812	-	6 055	6 055	-	-	-
Housing		144	144	144	-	-	-	-	-	-
Other Assets		739	10 053	33 956	-	6 055	6 055	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		2 659	2 659	2 659	-	-	-	-	-	-
Licences and Rights		18 138	18 138	24 722	-	-	-	-	-	-
Intangible Assets		20 797	20 797	27 382	-	-	-	-	-	-
Computer Equipment		87 891	88 704	88 937	-	1 232	1 232	-	-	-
Furniture and Office Equipment		83 278	84 743	86 108	-	4	4	-	-	-
Machinery and Equipment		216 637	259 501	412 876	-	-	-	-	-	-
Transport Assets		164 310	107 379	121 924	-	8 667	8 667	-	-	-
Land		(36 315)	(36 315)	(36 315)	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		7 805 351	8 022 641	8 417 096	454 992	387 621	387 621	270 733	284 270	298 483

ASSET REGISTER SUMMARY - PPE (WDV)	5	607 371	834 120	1 210 016	272 354	202 863	202 863	151 131	173 865	197 238
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		223 336	288 656	405 124	258 354	176 863	176 863	181 966	191 064	200 617
Sanitation Infrastructure		60 076	167 626	230 664	111 482	109 644	109 644	68 767	72 206	75 816
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		283 412	456 281	635 788	369 836	286 507	286 507	250 733	263 270	276 433
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Investment properties		33 106	33 044	28 000	34 244	28 000	28 000	28 000	30 800	33 880
Other Assets		77 377	70 607	91 863	(75 400)	(69 341)	(69 341)	(75 400)	(71 630)	(68 049)
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		3 938	2 659	6 783	2 559	6 683	6 683	6 683	7 366	8 117
Computer Equipment		7 873	8 687	8 919	(4 000)	(2 768)	(2 768)	(4 000)	(3 800)	(3 610)
Furniture and Office Equipment		754	754	754	(50 805)	(50 805)	(50 805)	(50 805)	(48 265)	(45 852)
Machinery and Equipment		169 940	218 333	379 609	(80)	(80)	(80)	(80)	(76)	(72)
Transport Assets		67 394	80 179	94 724	(4 000)	4 667	4 667	(4 000)	(3 800)	(3 610)
Land		(36 423)	(36 423)	(36 423)	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	607 371	834 120	1 210 016	272 354	202 863	202 863	151 131	173 865	197 238
EXPENDITURE OTHER ITEMS		298 432	333 038	316 957	261 650	242 420	242 420	242 420	235 444	223 776
Depreciation	7	225 081	222 639	219 646	220 000	220 000	220 000	220 000	209 000	198 550
Repairs and Maintenance by Asset Class	3	73 351	110 399	97 311	41 650	22 420	22 420	22 420	26 444	25 226
Roads Infrastructure		1 038	2 781	14 180	8 360	5 750	5 750	5 750	7 942	7 545
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		195	502	1 001	6 050	3 900	3 900	3 900	4 655	4 422
Water Supply Infrastructure		24 984	83 645	57 527	19 481	6 092	6 092	6 092	6 505	6 285
Sanitation Infrastructure		32 284	2 283	2 564	2 300	2 700	2 700	2 700	2 185	2 076
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	400	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	121	199	-	-	-	-	-	-
Infrastructure		58 501	89 733	75 470	36 190	18 442	18 442	18 442	21 287	20 328
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		166	951	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		166	951	-	-	-	-	-	-	-
Operational Buildings		2 017	5 179	975	2 500	2 000	2 000	2 000	2 375	2 256
Housing		-	-	-	-	-	-	-	-	-
Other Assets		2 017	5 179	975	2 500	2 000	2 000	2 000	2 375	2 256
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		(0)	850	727	758	758	758	758	720	684
Intangible Assets		(0)	850	727	758	758	758	758	720	684
Computer Equipment		-	-	-	20	20	20	20	19	18
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		575	854	531	2 182	1 200	1 200	1 200	2 043	1 940
Transport Assets		12 093	12 831	19 608	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		298 432	333 038	316 957	261 650	242 420	242 420	242 420	235 444	223 776
Renewal and upgrading of Existing Assets as % of total capex		96.0%	94.0%	91.1%	48.4%	31.5%	31.5%	27.0%	27.0%	27.0%
Renewal and upgrading of Existing Assets as % of deprecn		3328.0%	3387.3%	3491.0%	100.1%	55.4%	55.4%	33.2%	36.7%	40.5%
R&M as a % of PPE & Investment Property		12.2%	13.2%	8.0%	15.2%	11.0%	11.0%	15.0%	15.4%	13.0%
Renewal and upgrading and R&M as a % of PPE and Investment Prope		1253.5%	920.2%	645.3%	96.8%	73.2%	73.2%	65.5%	61.5%	55.5%

References

1. Detail of new assets provided in Table SA34a
2. Detail of renewal of existing assets provided in Table SA34b
3. Detail of Repairs and Maintenance by Asset Class provided in Table SA34c
4. Must reconcile to total capital expenditure on Budgeted Capital Expenditure
5. Must reconcile to 'Budgeted Financial Position' (written down value)
6. Detail of upgrading of existing assets provided in Table SA34e
7. Detail of depreciation provided in Table SA34d

DC21 Ugu - Table A10 Basic service delivery measurement

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Household service targets	1									
Water:										
Piped water inside dwelling		37	37	37	37	37	37	39	42	44
Piped water inside yard (but not in dwelling)		22	22	22	22	22	22	23	25	26
Using public tap (at least min.service level)	2	94	94	94	94	94	94	100	106	112
Other water supply (at least min.service level)	4	1	1	1	1	1	1	1	1	1
<i>Minimum Service Level and Above sub-total</i>		154	154	154	154	154	154	163	173	183
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	20	20	20	20	20	20	21	22	24
No water supply		1	1	1	1	1	1	1	1	1
<i>Below Minimum Service Level sub-total</i>		21	21	21	21	21	21	22	24	25
Total number of households	5	175	175	175	175	175	175	186	197	208
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		41	41	41	41	41	41	43	46	49
Flush toilet (with septic tank)		17	17	17	17	17	17	18	19	20
Chemical toilet		21	21	21	21	21	21	22	24	25
Pit toilet (ventilated)		67	67	67	67	67	67	71	75	80
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		146	146	146	146	146	146	155	164	174
Bucket toilet		6	6	6	6	6	6	6	7	7
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		8	8	8	8	8	8	8	9	10
<i>Below Minimum Service Level sub-total</i>		14	14	14	14	14	14	15	16	17
Total number of households	5	160	160	160	160	160	160	170	180	191
Energy:										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Refuse:										
Removed at least once a week		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
Informal Settlements		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)										
Water (6 kilolitres per indigent household per month)		-	-	21 697	59 431	59 431	59 431	42 997	45 577	48 312
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		-	-	-	-	-	-	-	-	-
Total cost of FBS provided	8	-	-	21 697	59 431	59 431	59 431	42 997	45 577	48 312
Highest level of free service provided per household										
Property rates (R value threshold)		-	-	-	-	-	-	-	-	-
Water (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		-	-	-	-	-	-	-	-	-
Electricity (kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (average litres per week)		-	-	-	-	-	-	-	-	-
Revenue cost of subsidised services provided (R'000)	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)		(5 619)	(6 483)	684	(60 605)	(60 606)	(60 606)	(69 696)	(67 196)	(70 932)
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided	6	(5 619)	(6 483)	684	(60 605)	(60 606)	(60 606)	(69 696)	(67 196)	(70 932)

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
9. Reflect the cost of free or subsidised services in excess to the National policy that are not funded from the Free Basic Services component of the Equitable Share

DC21 Ugu - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand								
REVENUE ITEMS:								
<u>Non-exchange revenue by source</u>								
Exchange Revenue								
Total Property Rates	6	–	–	–	–	–	–	–
Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		–	–	–	–	–	–	–
Net Property Rates		–	–	–	–	–	–	–
<u>Exchange revenue service charges</u>								
Service charges - Electricity	6	–	–	–	–	–	–	–
Total Service charges - Electricity		–	–	–	–	–	–	–
Less Revenue Foregone (in excess of 50 kwh per indigent household per month)		–	–	–	–	–	–	–
Less Cost of Free Basis Services (50 kwh per indigent household per month)		–	–	–	–	–	–	–
Net Service charges - Electricity		–	–	–	–	–	–	–
Service charges - Water	6	421 837	443 511	443 511	262 446	510 038	487 108	510 975
Total Service charges - Water		421 837	443 511	443 511	262 446	510 038	487 108	510 975
Less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)		(60 605)	(60 606)	(60 606)	(4 799)	(69 696)	(67 196)	(70 932)
Less Cost of Free Basis Services (6 kilolitres per indigent household per month)		–	–	–	–	–	–	–
Net Service charges - Water		361 232	382 906	382 906	257 647	440 342	419 912	440 043
Service charges - Waste Water Management		112 683	123 951	123 951	81 269	142 544	136 136	142 806
Total Service charges - Waste Water Management		112 683	123 951	123 951	81 269	142 544	136 136	142 806
Less Revenue Foregone (in excess of free sanitation service to indigent households)		–	–	–	–	–	–	–
Less Cost of Free Basis Services (free sanitation service to indigent households)		–	–	–	–	–	–	–
Net Service charges - Waste Water Management		112 683	123 951	123 951	81 269	142 544	136 136	142 806
Service charges - Waste Management	6	–	–	–	–	–	–	–
Total refuse removal revenue		–	–	–	–	–	–	–
Total landfill revenue		–	–	–	–	–	–	–
Less Revenue Foregone (in excess of one removal a week to indigent households)		–	–	–	–	–	–	–
Less Cost of Free Basis Services (removed once a week to indigent households)		–	–	–	–	–	–	–
Net Service charges - Waste Management		–	–	–	–	–	–	–
EXPENDITURE ITEMS:								
<u>Employee related costs</u>								
Basic Salaries and Wages	2	213 274	132 792	132 792	205 431	139 049	145 445	151 990
Pension and UIF Contributions		43 309	43 309	43 309	36 074	45 431	47 521	49 660
Medical Aid Contributions		20 437	20 437	20 437	14 271	21 439	22 425	23 434
Overtime		7 532	7 532	7 532	37 715	7 901	8 264	8 636
Performance Bonus		80 549	37 695	37 695	23 713	39 542	41 361	43 222
Motor Vehicle Allowance		10 359	10 359	10 359	7 791	10 867	11 367	11 878
Cellphone Allowance		3 195	3 195	3 195	2 103	3 352	3 506	3 664
Housing Allowances		2 253	2 253	2 253	968	2 364	2 473	2 584
Other benefits and allowances		9 522	9 522	9 522	25 397	9 988	10 448	10 918
Payments in lieu of leave		2 013	2 013	2 013	42 043	2 111	2 208	2 308
Long service awards		2 403	2 403	2 403	3 710	2 521	2 637	2 755
Post-retirement benefit obligations	4	–	–	–	–	–	–	–
Entertainment		–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–
Acting and post related allowance		15 000	8 954	8 954	2 624	9 393	9 825	10 267
In kind benefits		–	–	–	–	–	–	–
sub-total	5	409 846	280 464	280 464	401 838	293 957	307 479	321 316
Less: Employees costs capitalised to PPE		–	–	–	–	–	–	–
Total Employee related costs	1	409 846	280 464	280 464	401 838	293 957	307 479	321 316

Depreciation and amortisation							
Depreciation of Property, Plant & Equipment	219 900	219 900	219 900	144 923	230 675	218 515	207 390
Lease amortisation	100	100	100	1 928	105	99	94
Capital asset impairment	–	–	–	–	–	–	–
Total Depreciation and amortisation	1	220 000	220 000	146 851	230 780	218 614	207 485
Bulk purchases - electricity							
Electricity bulk purchases	1	–	–	–	–	–	–
Total bulk purchases	1	–	–	–	–	–	–
Transfers and grants							
Cash transfers and grants	1	8 000	–	–	–	–	–
Non-cash transfers and grants	1	–	–	–	–	–	–
Total transfers and grants	1	8 000	–	–	–	–	–
Contracted Services							
Outsourced Services		7 964	14 284	14 284	25 279	14 984	16 379
Consultants and Professional Services		81 040	78 781	78 781	55 294	34 145	37 323
Contractors		49 688	31 004	31 004	47 937	73 724	80 586
Total contracted services		138 693	124 069	124 069	128 510	122 854	134 288
Operational Costs							
Collection costs		1 300	1 300	1 300	703	1 364	1 491
Contributions to 'other' provisions		–	–	–	–	–	–
Audit fees		–	–	–	–	–	–
Other Operational Costs		110 426	93 044	93 044	154 886	97 844	106 951
Total Operational Costs	1	111 726	94 344	94 344	155 588	99 208	108 441
Repairs and Maintenance by Expenditure Item							
Employee related costs	8	–	–	–	–	–	–
Inventory Consumed (Project Maintenance)		41 650	22 420	22 420	–	23 519	25 708
Contracted Services		–	–	–	–	–	–
Other Expenditure		–	–	–	–	–	–
Total Repairs and Maintenance Expenditure	9	41 650	22 420	22 420	–	23 519	25 708
Inventory Consumed							
Inventory Consumed - Water		120 388	44 564	44 564	–	52 753	57 663
Inventory Consumed - Other		8 021	11 934	11 934	–	11 934	13 045
Total Inventory Consumed & Other Material		128 408	56 498	56 498	–	64 687	70 708
check		–	–	–	1 099	(1 843)	482

References

1. Must reconcile with 'Budgeted Financial Performance (Revenue and Expenditure)

2. Must reconcile to supporting documentation on staff salaries

4. Expenditure to meet any 'unfunded obligations'

5 This sub-total must agree with the total on SA22, but excluding councillor and board member items

6. Include a note for each revenue item that is affected by 'revenue foregone'

8. Repairs and Maintenance is not a GRAP item. However to facilitate transparency, municipalities must provide a breakdown of the amounts included in the relevant GRAP items that will be spent on Re

9. Must reconcile with Repairs and Maintenance by Asset Class (Total Repairs and Maintenance) on Table SA34c.

DC21 Ugu - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - Executive and Council	Vote 2 - Finance and Administration	Vote 3 - Internal Audit	Vote 4 - Community and Social Services	Vote 5 - Sports and recreation	Vote 6 - Public safety	Vote 7 - [NAME OF VOTE 7]	Vote 8 - Health	Vote 9 - Planning and Development	Vote 10 - Road Transport	Vote 11 - Environmental Protection	Vote 12 - [NAME OF VOTE 1210]	Vote 13 - Water Management	Vote 14 - Waste Water Management	Vote 15 - Waste Management	Total
R thousand	1																
Revenue																	
Exchange Revenue																	
Service charges - Electricity		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Service charges - Water		--	--	--	--	--	--	--	--	--	--	--	--	382 906	--	--	382 906
Service charges - Waste Water Management		--	--	--	--	--	--	--	--	--	--	--	--	--	123 951	--	123 951
Service charges - Waste Management		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Sale of Goods and Rendering of Services		--	2 843	--	--	--	--	--	--	--	--	--	--	--	--	--	2 843
Agency services		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Interest		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Interest earned from Receivables		--	--	--	--	--	--	--	--	--	--	--	--	66 903	--	--	66 903
Interest earned from Current and Non Current Assets		--	--	--	--	--	--	--	--	--	--	--	--	12 424	--	--	12 424
Dividends		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Rent on Land		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Rental from Fixed Assets		--	--	--	--	--	--	--	--	1 737	--	--	--	--	--	--	1 737
Licence and permits		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Operational Revenue		--	2 364	--	--	--	--	--	--	--	--	--	--	--	--	--	2 364
Non-Exchange Revenue																	
Property rates		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Surcharges and Taxes		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Fines, penalties and forfeits		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Licences or permits		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Transfer and subsidies - Operational		(2 864)	669 111	--	--	--	--	--	--	9 091	--	--	--	47 555	--	--	722 893
Interest		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Fuel Levy		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Operational Revenue		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Gains on disposal of Assets		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Other Gains		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Discontinued Operations																	
Total Revenue (excluding capital transfers and contributions)		(2 864)	674 319	--	--	--	--	--	--	10 827	--	--	--	509 788	123 951	--	1 316 022
Expenditure																	
Employee related costs		(28 867)	(115 866)	--	--	--	--	--	--	(8 876)	--	--	--	(104 785)	(22 071)	--	(280 464)
Remuneration of councillors		(13 693)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	(13 693)
Bulk purchases - electricity		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Inventory consumed		(170)	(850)	--	(5 611)	--	--	--	--	(149)	--	--	--	47 650	--	--	40 871
Debt impairment		--	(27 226)	--	--	--	--	--	--	--	--	--	--	--	--	--	(27 226)
Depreciation and amortisation		--	(167 870)	--	--	--	--	--	--	--	--	--	--	--	(52 130)	--	(220 000)
Interest		--	(2 075)	--	--	--	--	--	--	--	--	--	--	--	(2 545)	--	(4 620)
Contracted services		(498)	(27 605)	(670)	(2 520)	--	--	--	--	(726)	--	(400)	--	(33 410)	(12 010)	--	(77 838)
Transfers and subsidies		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Irrecoverable debts written off		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Operational costs		(1 085)	(73 371)	--	(1 412)	--	--	--	(560)	(116)	--	--	--	(17 795)	(5)	--	(94 344)
Losses on disposal of Assets		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Other Losses		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total Expenditure		(44 213)	(414 864)	(670)	(9 543)	--	--	--	(560)	(9 866)	--	(400)	--	(108 339)	(88 761)	--	(677 315)
Surplus/(Deficit)		41 449	1 089 182	670	9 543	--	--	--	560	20 693	--	400	--	618 127	212 713	--	1 993 337
Transfers and subsidies - capital (monetary allocations)		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Transfers and subsidies - capital (in-kind)		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Surplus/(Deficit) after capital transfers & contributions		41 449	1 089 182	670	9 543	--	--	--	560	20 693	--	400	--	618 127	212 713	--	1 993 337

References

1. Departmental columns to be based on municipal organisation structure

2023-24 Lige - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'												
Description		2020/21	2020/22	2020/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework				
In Present	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year+1 2024/25	Budget Year+2 2025/26	Budget Year+3 2026/27	Budget Year+4 2027/28	
ASSETS												
<u>Assets not available for exchange - Receivables</u>												
	Electricity	238,881	585,945	585,173	252,421	222,735	222,735	539,639	222,347	233,239	358,446	
	Water	-	-	-	-	-	-	-	-	-	-	
	Waste Water	97,052	17,486	83,369	137,381	142,544	142,544	138,054	123,851	133,446	139,656	
	Other receivables from exchange transactions	(277,594)	(268,075)	(266,261)	(273,622)	(64,476)	(64,476)	(270,558)	(47,963)	(88,621)	(84,842)	
Gains: Trade and other receivables from exchange transactions												
	Assets Impaired for Sale	137,760	84,207	202,809	372,871	339,762	339,762	300,120	268,479	189,672	220,962	
	Impairment for Electricity	-	-	-	714,453	(27,226)	(27,226)	-	(27,226)	(25,361)	(23,367)	
	Impairment for Water	-	-	-	(14,635)	(27,226)	(27,226)	-	(27,226)	(25,361)	(23,367)	
	Impairment for Waste Water	-	-	-	-	-	-	-	-	-	-	
	Impairment for other trade receivables from exchange interest	-	-	-	-	-	-	-	-	-	-	
Total Net Trade and other receivables from Exchange Transactions												
		137,760	84,207	202,809	298,215	292,566	292,566	300,000	271,253	174,687	196,605	
Receivables from non-exchange transactions												
	Property sales	-	-	-	-	-	-	-	-	-	-	
	Less: Impairment of Property sales	-	-	-	-	-	-	-	-	-	-	
	Net Property sales	(41,842)	(42,708)	(41,700)	13,554	9,470	9,470	(41,700)	9,470	14,387	13,583	
	Other receivables from non-exchange transactions	-	-	-	-	-	-	-	-	-	-	
	Impairment for other receivables from non-exchange interest	-	-	-	-	-	-	-	-	-	-	
	Net other receivables from non-exchange transactions	(41,842)	(42,708)	(41,700)	13,554	9,470	9,470	(41,700)	9,470	14,387	13,583	
	Total net Receivables from non-exchange transactions	(41,842)	(42,708)	(41,700)	13,554	9,470	9,470	(41,700)	9,470	14,387	13,583	
Inventory												
	Opening Balance	-	-	-	-	-	-	-	-	-	-	
	System input materials	-	-	-	40,405	15,035	15,035	-	15,035	14,632	12,765	
	Water Treatment Materials	-	-	-	60,388	44,638	44,638	-	44,638	42,307	50,307	
	Sub-Purchases	-	-	-	50,388	44,638	44,638	-	44,638	42,307	52,307	
	Material Sources	-	-	-	-	-	-	-	-	-	-	
	Authorized Consumption	-	-	-	(120,388)	(44,564)	(44,564)	-	(52,702)	(44,564)	(44,564)	
	Subsid Authorized Consumption	-	-	-	(120,388)	(44,564)	(44,564)	-	(52,702)	(44,564)	(44,564)	
	Fire Basic Water	-	-	-	-	-	-	-	-	-	-	
	Subsidized Water	-	-	-	-	-	-	-	-	-	-	
	Revenue Water	-	-	-	(120,388)	(44,564)	(44,564)	-	(52,702)	(44,564)	(44,564)	
	Subsid Consumed Consumption	-	-	-	-	-	-	-	-	-	-	
	Fire Basic Water	-	-	-	-	-	-	-	-	-	-	
	Subsidized Water	-	-	-	-	-	-	-	-	-	-	
	Revenue Water	-	-	-	(120,388)	(44,564)	(44,564)	-	(52,702)	(44,564)	(44,564)	
	Unutilized Authorized Consumption	-	-	-	-	-	-	-	-	-	-	
	Unutilized Revenue Consumption	-	-	-	-	-	-	-	-	-	-	
	Unutilized Consumed Consumption	-	-	-	-	-	-	-	-	-	-	
	Water Losses	3,388	3,453	3,415	-	-	-	3,415	-	-	-	
	Apparent Sales	-	-	-	-	-	-	-	-	-	-	
	Unauthorized Consumption	-	-	-	-	-	-	-	-	-	-	
	Customer Meter Inaccuracies	-	-	-	-	-	-	-	-	-	-	
	Net Water Losses	3,388	3,453	3,415	-	-	-	3,415	-	-	-	
	Leakage in Transmission and Distribution Assets	-	-	-	-	-	-	-	-	-	-	
	Leakage and Outflows at Storage Transfers/Reservoirs	3,388	3,453	3,415	-	-	-	-	-	-	-	
	Leakage at Storage Reservoirs due to the impact of Customer Meter Data Transfer and Management Errors	-	-	-	-	-	-	-	-	-	-	
	Unrecoverable Annual Retail Losses	-	-	-	-	-	-	-	-	-	-	
	Net Water Losses	3,388	3,453	3,415	-	-	-	3,415	-	-	-	
	Closing Balance - Water	3,388	3,453	3,415	10,495	15,108	15,108	3,415	6,818	12,618	20,295	
Agricultural												
	Opening Balance	-	-	-	-	-	-	-	-	-	-	
	Acquisitions	-	-	-	-	-	-	-	-	-	-	
	Disposals	-	-	-	-	-	-	-	-	-	-	
	Adjustments	-	-	-	-	-	-	-	-	-	-	
	Write-offs	-	-	-	-	-	-	-	-	-	-	
	Closing balance - Agricultural	-	-	-	-	-	-	-	-	-	-	
Consumables												
	Standard Rate	-	-	-	-	-	-	-	-	-	-	
	Opening Balance	(876)	(836)	(836)	11,623	11,623	11,623	(836)	11,623	13,025	13,025	
	Acquisitions	-	-	-	-	-	-	-	-	-	-	
	Issues	-	-	-	-	-	-	-	-	-	-	
	Write-offs	-	-	-	1432	(325)	(325)	-	(325)	(867)	(422)	
	Adjustments	-	-	-	-	-	-	-	-	-	-	
	Write-offs	-	-	-	-	-	-	-	-	-	-	
	Closing balance - Consumables Standard Rate	(876)	(836)	(836)	11,224	11,313	11,313	(836)	11,313	11,967	12,687	
Other Assets												
	Opening Balance	-	-	-	-	-	-	-	-	-	-	
	Acquisitions	-	-	-	-	-	-	-	-	-	-	
	Issues	-	-	-	-	-	-	-	-	-	-	
	Write-offs	-	-	-	-	-	-	-	-	-	-	
	Closing balance - Consumables Other Assets	-	-	-	-	-	-	-	-	-	-	
Finished Goods												
	Opening Balance	-	-	-	-	-	-	-	-	-	-	
	Acquisitions	-	-	-	-	-	-	-	-	-	-	
	Issues	-	-	-	-	-	-	-	-	-	-	
	Write-offs	-	-	-	-	-	-	-	-	-	-	
	Closing balance - Finished Goods	-	-	-	-	-	-	-	-	-	-	
Materials and Supplies												
	Opening Balance	11,152	10,498	13,956	-	-	-	15,129	-	-	-	
	Acquisitions	-	-	-	-	-	-	-	-	-	-	
	Issues	-	-	-	-	-	-	-	-	-	-	
	Write-offs	-	-	-	-	-	-	-	-	-	-	
	Adjustments	-	-	-	(7,613)	(51,623)	(51,623)	-	(51,623)	(9,278)	(7,676)	
	Write-offs	-	-	-	-	-	-	-	-	-	-	
	Closing balance - Materials and Supplies	11,152	10,498	13,956	(7,613)	(51,623)	(51,623)	15,129	(51,623)	(9,278)	(7,676)	
Work-in-progress												
	Opening Balance	-	-	-	-	-	-	-	-	-	-	
	Acquisitions	-	-	-	-	-	-	-	-	-	-	
	Issues	-	-	-	-	-	-	-	-	-	-	
	Write-offs	-	-	-	-	-	-	-	-	-	-	
	Closing balance - Work-in-progress	-	-	-	-	-	-	-	-	-	-	
Housing Stock												
	Opening Balance	-	-	-	-	-	-	-	-	-	-	
	Acquisitions	-	-	-	-	-	-	-	-	-	-	
	Transfers	-	-	-	-	-	-	-	-	-	-	
	Sales	-	-	-	-	-	-	-	-	-	-	
	Closing Balance - Housing Stock	-	-	-	-	-	-	-	-	-	-	
Land												
	Opening Balance	-	-	-	-	-	-	-	-	-	-	
	Acquisitions	-	-	-	-	-	-	-	-	-	-	
	Sales	-	-	-	-	-	-	-	-	-	-	
	Adjustments	-	-	-	-	-	-	-	-	-	-	
	Concession of their period assets	-	-	-	-	-	-	-	-	-	-	
	Transfers	-	-	-	-	-	-	-	-	-	-	
	Closing balance - Land	-	-	-	-	-	-	-	-	-	-	
Consumables - Inventory & Consumables												
		23,142	23,075	28,475	24,008	24,887	24,887	27,707	6,627	25,398	25,398	
Provisions (net of provisions) (PPE)												
	PPE (cost less impairment) - opening balance	3,730,133	3,925,728	4,303,537	3,919,269	3,986,680	3,986,680	4,539,623	3,989,892	4,243,246	4,623,356	
	Less: Impairment at PPE	(26,588)	(26,588)	(26,588)	(26,588)	(26,588)	(26,588)	(26,588)	(26,588)	(26,588)	(26,588)	
	Net (cost less impairment) (PPE)	3,703,545	3,899,140	4,276,949	3,892,681	3,960,092	3,960,092	4,513,035	3,963,304	4,216,658	4,596,768	
	Total Property, plant and equipment (PPE)	3,703,545	3,899,140	4,276,949	3,892,681	3,960,092	3,960,092	4,513,035	3,963,304	4,216,658	4,596,768	
LIABILITIES												
<u>Current liabilities - Financial liabilities</u>												
	Bank overdrafts (after Bank overdrafts)	-	(48,088)	(48,088)	-	-	-	(48,088)	-	-	-	
	Current portion of long-term liabilities	9,893	117,865	135,967	-	-	-	135,967	(8,220)	(8,486)	(8,220)	
	Total Current liabilities - Financial liabilities	9,893	(30,223)	87,879	-	-	-	135,967	(51,210)	(9,446)	(8,220)	
<u>Trade and other payables from exchange transactions</u>												
	Other trade payables from exchange transactions	530,343	322,821	342,510	657,126	578,141	578,141	588,284	(588,895)	(591,125)	(543,961)	
	Trade payables from non-exchange transactions, interest payable	3,543	7,025	1,319	-	(46,121)	(46,121)	55,461	57,444	138,943	140,912	
	Trade payables from non-exchange transactions, Other	-	-	-	2,500	(46,121)	(46,121)	-	-	-	-	
	Trade payables from non-exchange transactions, Other	-	-	-	-	-	-	-	-	-	-	
	Total Trade and other payables from exchange transactions	533,886	329,846	723,367	723,671	535,895	535,895	643,745	(538,969)	(552,182)	(403,049)	
<u>Other liabilities - Financial liabilities</u>												
	Borrowing	44,778	39,930	54,271	261,561	149,026	149,026	29,948	(143,136)	(237,080)	(139,812)	
	Other financial liabilities	-	-	-	-	-	-	-	-	-	-	
	Total Non-current liabilities - Financial liabilities	44,778	39,930	54,271	261,561	149,026	149,026	29,948	(143,136)	(237,080)	(139,812)	
Non-current liabilities - Long-term portion of trade payables												
		-	-	-	-	-	-	-	-	-	-	
Provisions and Accruals - General												
	Provisions and Accruals - General	-	-	-	-	-	-	-	-	-	-	
	Provisions and Accruals - General	-	-	-	-	-	-	-	-	-	-	
	Provisions and Accruals - General	-	-	-	-	-	-	-	-	-	-	
	Provisions and Accruals - General	-	-	-	-	-	-	-	-	-	-	
	Provisions and Accruals - General	-	-	-	-	-	-	-	-	-	-	
	Provisions and Accruals - General	-	-	-	-	-	-	-	-	-	-	
	Provisions and Accruals - General	-	-	-	-	-	-	-	-	-	-	
	Provisions and Accruals - General	-	-	-	-	-	-	-	-	-	-	
	Provisions and Accruals - General	-	-	-	-	-	-	-	-	-	-	
	Provisions and Accruals - General	-	-	-	-	-	-	-	-	-	-	
	Provisions and Accruals - General	-	-	-	-	-	-	-	-	-	-	
	Provisions and Accruals - General	-	-	-	-	-	-	-	-	-	-	
	Provisions and Accruals - General	-	-	-	-	-	-	-	-	-	-	
	Provisions and Accruals - General	-	-	-	-	-	-	-	-	-	-	
	Provisions and Accruals - General	-	-	-	-	-	-	-	-	-	-	
	Provisions and Accruals - General	-	-	-	-	-	-	-	-	-	-	
	Provisions and Accruals - General	-	-	-	-	-	-	-	-	-	-	
	Provisions and Accruals - General	-	-	-	-	-	-	-	-	-	-	
	Provisions and Accruals - General	-	-	-	-	-	-	-	-	-	-	
	Provisions and Accruals - General	-	-	-	-	-	-	-	-	-	-	
	Provisions and Accruals - General	-	-	-	-	-	-	-	-	-	-	
	Provisions and Accruals - General	-	-	-	-	-	-	-	-	-	-	
	Provisions and Accruals - General	-	-	-	-	-	-	-	-	-	-	
	Provisions and Accruals - General	-	-	-	-	-	-	-	-	-	-	
	Provisions and Accruals - General	-	-	-	-	-	-	-	-	-	-	
	Provisions and Accruals - General	-	-	-	-	-	-	-	-	-	-	
	Provisions and Accruals - General	-	-	-	-	-	-	-	-	-	-	
	Provisions and Accruals - General	-	-	-	-	-	-	-	-	-	-	
	Provisions and Accruals - General	-	-	-	-	-	-	-	-	-	-	
	Provisions and Accruals - General	-	-	-	-	-	-	-	-	-	-	

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

Table 1: Supporting Table 1: Recommendation 1: Strategic Objectives and Budget (Overview)												
Strategic Objective	Goal	Goal Code	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand												
Control Accounts	Responsive, accountable, effective and efficient local government	9	—	273	7 044	4 727	—	3 073	3 073	—	—	—
Increase income	Responsive, accountable, effective and efficient local government	9	—	676	136	1 277	—	—	—	—	—	—
TakeOn Balances	Responsive, accountable, effective and efficient local government	9	—	822 287	807 642	884 890	8 453	2 364	2 364	11 455	12 119	12 788
To ensure access to free basic water	A comprehensive, responsive and sustainable social protection system	13	—	—	—	—	(60 605)	(60 606)	(60 606)	(60 606)	(64 241)	(67 878)
To ensure access to free basic water	Responsive, accountable, effective and efficient local government	9	—	—	—	4 000	—	—	—	—	—	—
To ensure full compliance with MFMA	Responsive, accountable, effective and efficient local government	9	—	310 102	396 437	574 791	621 440	675 014	675 014	478 435	447 144	469 489
To improve revenue collection	A comprehensive, responsive and sustainable social protection system	13	—	(5 619)	(6 483)	684	—	—	—	—	—	—
To improve revenue collection	Responsive, accountable, effective and efficient local government	9	—	196 559	186 280	233 604	1 173 582	1 132 587	1 132 587	1 125 047	1 185 730	1 248 990
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	1 324 279	1 391 056	1 703 973	1 742 870	1 752 433	1 752 433	1 554 332	1 580 752	1 663 389

References

1. Total revenue must reconcile to

2. Balance of allocations not directly linked to an IDP strategic objective
check op revenue balance

242 011 348 931 508 512 454 994 360 477 360 477 679 234 213 504 239 060

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

1. Total expenditure must reconcile to
2. Balance of allocation not directly linked to an IDP strategic objective

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

DC21 Qgd - Supporting Table SA6 reconciliation of IDP Strategic objectives and budget (capital expenditure)													
Strategic Objective	Goal	Goal Code	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework	& Expenditure		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27	
R thousand													
Compliance with access to quality drinking water standards	An efficient, competitive and responsive economic infrastructure network	6	—	21 522	25 001	25 001	—	—	—	—	—	—	
Compliance with decent sanitation standards	An efficient, competitive and responsive economic infrastructure network	6	—	—	(326)	7 770	—	—	—	20 000	21 000	22 050	
Enhance measures to reduce community exposure to diseases and health risk	An efficient, competitive and responsive economic infrastructure network	6	—	12 174	12 174	12 174	—	—	—	—	—	—	
Increase infrastructure capacity	An efficient, competitive and responsive economic infrastructure network	6	—	50 679	157 369	216 312	141 636	175 579	175 579	29 567	31 046	32 598	
Optimise systems and operations	An efficient, competitive and responsive economic infrastructure network	6	—	4 290	4 290	4 290	—	—	—	—	—	—	
Optimise systems and operations	An efficient, effective and development-oriented public service	12	—	22 597	36 630	47 929	—	9 898	9 898	—	—	—	
Promote clean and social government	An efficient, effective and development-oriented public service	12	—	(3 971)	6 809	32 077	—	6 059	6 059	—	—	—	
Promote clean and social government	Sustainable human settlements and improved quality of household life	8	—	144	144	144	—	—	—	—	—	—	
Reduce water loss	An efficient, competitive and responsive economic infrastructure network	6	—	11 040	12 909	12 909	—	—	—	—	—	—	
Reduce water loss	An efficient, effective and development-oriented public service	12	—	84 228	84 228	84 228	—	—	—	—	—	—	
TakeOn Balances	An efficient, competitive and responsive economic infrastructure network	6	—	7 077 754	7 085 998	7 097 711	48 900	33 243	33 243	40 000	42 000	44 100	
TakeOn Balances	An efficient, effective and development-oriented public service	12	—	236 233	166 082	166 763	—	—	—	—	—	—	
To ensure access to free basic water	An efficient, competitive and responsive economic infrastructure network	6	—	91 382	144 496	195 428	109 686	89 068	89 068	81 166	85 224	89 485	
To ensure access to free basic water	An efficient, effective and development-oriented public service	12	—	—	—	3 478	—	—	—	—	—	—	
To increase access to adequate basic services	An efficient, competitive and responsive economic infrastructure network	6	—	(827)	44 515	99 475	150 000	70 384	70 384	80 000	84 000	88 200	
To optimise asset management	An efficient, effective and development-oriented public service	12	—	102	102	102	—	—	—	—	—	—	
To optimise Expenditure and get better returns on investments	An efficient, competitive and responsive economic infrastructure network	6	—	—	—	9 807	4 770	3 390	3 390	20 000	21 000	22 050	
To replace and maintain ageing infrastructure	An efficient, competitive and responsive economic infrastructure network	6	—	—	1 353	1 353	—	—	—	—	—	—	
To replace and maintain ageing infrastructure	An efficient, effective and development-oriented public service	12	—	198 003	240 867	400 145	—	—	—	—	—	—	
Allocations to other priorities				3									
Total Capital Expenditure				1	7 805 351	8 022 641	8 417 096	454 992	387 621	387 621	270 733	284 270	298 483

References

1. Total capital expenditure must reconcile to Budgeted Capital Expenditure
2. Goal code must be used on Table SA36
3. Balance of allocations not directly linked to an IDP strategic objective

DC21 Ugu - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Vote 1 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Vote 2 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Vote 3 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
And so on for the rest of the Votes										

1. Include a measurable performance objective for each revenue source (within a relevant function) and each vote (MFMA s17(3)(b))
2. Include all Basic Services performance targets from 'Basic Service Delivery' to ensure Table SA7 represents all strategic responsibilities
3. Only include prior year comparative information for individual measures where relevant activity occurred in that year/s

DC21 Ugu - Entities measureable performance objectives

Description	Unit of measurement	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Entity 1 - (name of entity)										
Insert measure/s description										
Entity 2 - (name of entity)										
Insert measure/s description										
Entity 3 - (name of entity)										
Insert measure/s description										
And so on for the rest of the Entities										

1. Include a measurable performance objective as agreed with the parent municipality (MFMA s87(5)(d))

2. Only include prior year comparative information for individual measures where relevant activity occurred in that year/s

DC21 Ugu - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Borrowing Management											
Credit Rating	Interest & Principal Paid /Operating Expenditure	1.4%	1.8%	0.5%	0.7%	0.6%	0.6%	1.2%	0.6%	0.6%	0.6%
Capital Charges to Operating Expenditure	Finance charges & Repayment of borrowing /Own Revenue	1.6%	2.2%	0.6%	0.6%	0.3%	0.3%	1.3%	0.4%	0.4%	0.4%
Capital Charges to Own Revenue	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%
Borrowed funding of 'own' capital expenditure	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%
Safety of Capital											
Gearing	Current assets/current liabilities	0.4	0.2	0.3	1.2	2.0	2.0	0.3	(1.6)	(2.9)	(4.1)
Liquidity	Current assets less debtors > 90 days/current liabilities	0.4	0.2	0.3	1.2	2.0	2.0	0.3	(1.6)	(2.9)	(4.1)
Current Ratio	Monetary Assets/Current Liabilities	0.3	0.1	0.2	1.1	2.0	2.0	0.3	(1.2)	(2.3)	(3.2)
Current Ratio adjusted for aged debtors											
Liquidity Ratio											
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0.0%	279.2%	551.8%	66.5%	102.9%	102.9%	1078.5%	80.0%	109.9%	109.9%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		0.0%	279.2%	551.8%	66.5%	102.9%	102.9%	1078.5%	80.0%	109.9%	110.1%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	10.2%	7.9%	8.1%	5.4%	3.1%	3.1%	9.1%	16.6%	18.1%	18.7%
Longstanding Debtors Recovered											
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))										
Creditors to Cash and Investments		2525.9%	7.3%	4.9%	73.8%	32.4%	32.4%	3.9%	-143.1%	-47.7%	-24.3%
Other Indicators											
	Total Volume Losses (kW) technical										
	Total Volume Losses (kW) non technical										
Electricity Distribution Losses (2)	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Volumes :System input	Bulk Purchase										
	Water treatment works										
	Natural sources										
	Total Volume Losses (kℓ)										
Water Distribution Losses (2)	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	37.4%	39.7%	43.2%	31.8%	20.1%	20.1%	45.9%	21.5%	21.6%	21.4%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	37.4%	39.7%	44.2%	32.7%	30.4%	30.4%		21.5%	21.8%	19.9%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	6.8%	10.6%	8.1%	3.2%	1.6%	1.6%		1.6%	1.9%	1.7%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	22.8%	24.0%	19.6%	17.6%	16.1%	16.1%	18.1%	17.2%	15.7%	14.2%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	-	-	102.7	103.7	103.7	103.7	70.4	104.8	104.0	109.4
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	17.0%	11.1%	13.7%	7.4%	3.1%	3.1%	15.2%	34.0%	40.6%	42.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.3	63.9	131.4	14.3	27.3	27.3	168.1	9.3	21.9	34.6

References

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

DC21 Ugu - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Unit	Basis of calculation	2001 Census	2007 Survey	2011 Census	2009/10	2012/13	2012/13	2012/13	Current Year	2014/15 Medium Term Revenue & Expenditure Framework	2014/15 Medium Term Revenue & Expenditure Framework	2014/15 Medium Term Revenue & Expenditure Framework
						Outcome	Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Unemployment													
Population													
Females aged 15 - 34													
Males aged 15 - 34													
Females aged 15 - 34													
Males aged 15 - 34													
Unemployment													
Monthly household income (per of household)	1, 12												
No income													
R1 - R1 000													
R1 001 - R2 000													
R2 001 - R4 000													
R4 001 - R12 800													
R12 801 - R25 000													
R25 001 - R50 000													
R50 001 - R100 000													
R100 001 - R250 000													
R250 001 - R400 000													
R400 001 - R625 000													
R625 001 - R1 000 000													
> R1 000 000													
Property profiles (per of households)													
< R2 000 per household per month	13												
Household demographic (2010)	2												
Number of people in municipal area													
Number of people in municipal area													
Number of people in municipal area													
Definition of poor households (20 per month)													
Housing statistics													
Internal	3												
Total number of households													
Dwellings provided by municipality	4												
Dwellings provided by private sector	5												
Total new housing dwellings													
Economic	6												
Interest rate - borrowing													
Interest rate - investment													
Remuneration increases													
Consumption growth (electricity)													
Consumption growth (water)													
Collection rates	7												
Property tax/service charges													
Revenue from agency services													

Detail on the provision of municipal services for A10

Total municipal services			2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework				
nr		Outcome	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27		
			Household service targets (000)										
			Water										
				Piped water inside dwelling	37	37	37	37	37	37	39	42	44
				Piped water inside yard (but not in dwelling)	22	22	22	22	22	22	23	25	26
8		Using public tap (at least min service level)	94	94	94	94	94	94	100	106	112		
10		Other water supply (at least min service level)	1	1	1	1	1	1	1	1	1		
		Minimum Service Level and Above sub-total	154	154	154	154	154	154	163	173	183		
9		Using public tap (< min service level)	—	—	—	—	—	—	—	—	—		
10		Other water supply (< min service level)	20	20	20	20	20	20	21	22	24		
		No water supply	—	—	—	—	—	—	—	—	—		
		Below Minimum Service Level sub-total	20	20	20	20	20	20	21	22	24		
		Total number of households	175	175	175	175	175	175	186	197	208		
Sanitation/sewerage													
		Flush toilet (connected to sewerage)	41	41	41	41	41	41	43	46	48		
		Flush toilet (with septic tank)	17	17	17	17	17	17	18	19	20		
		Chemical toilet	21	21	21	21	21	21	22	24	25		
		PA toilet (overhead)	47	47	47	47	47	47	51	55	60		
		Other toilet provisions (> min service level)	—	—	—	—	—	—	—	—	—		
		Minimum Service Level and Above sub-total	146	146	146	146	146	146	155	164	173		
		Bucket toilet	6	6	6	6	6	6	6	7	7		
		Other toilet provisions (< min service level)	—	—	—	—	—	—	—	—	—		
		No toilet provisions	—	—	—	—	—	—	—	—	—		
		Below Minimum Service Level sub-total	6	6	6	6	6	6	6	7	7		
		Total number of households	152	152	152	152	152	152	161	171	180		
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	—	—	—	—	—	—	—	—	—		
Rubbish													
		Removed at least once a week	—	—	—	—	—	—	—	—	—		
		Minimum Service Level and Above sub-total	—	—	—	—	—	—	—	—	—		
		Removed less frequently than once a week	—	—	—	—	—	—	—	—	—		
		Using communal refuse dump	—	—	—	—	—	—	—	—	—		
		Using open refuse dump	—	—	—	—	—	—	—	—	—		
		Other rubbish disposal	—	—	—	—	—	—	—	—	—		
		No rubbish disposal	—	—	—	—	—	—	—	—	—		
		Below Minimum Service Level sub-total	—	—	—	—	—	—	—	—	—		
		Total number of households	—	—	—	—	—	—	—	—	—		

Municipal in-house services			2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework				
nr		Outcome	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27		
			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	—	—	—	—	—	—	—	—	—		
Sanitation/sewerage													
		Flush toilet (connected to sewerage)	—	—	—	—	—	—	—	—	—		
		Flush toilet (with septic tank)	—	—	—	—	—	—	—	—	—		
		Chemical toilet	—	—	—	—	—	—	—	—	—		
		PA toilet (overhead)	—	—	—	—	—	—	—	—	—		
		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	—	—	—	—	—	—	—	—	—		
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	—	—	—	—	—	—	—	—	—		
Rubbish													
		Removed at least once a week	—	—	—	—	—	—	—	—	—		
		Minimum Service Level and Above sub-total	—	—	—	—	—	—	—	—	—		
		Removed less frequently than once a week	—	—	—	—	—	—	—	—	—		
		Using communal refuse dump	—	—	—	—	—	—	—	—	—		
		Using open refuse dump	—	—	—	—	—	—	—	—	—		
		Other rubbish disposal	—	—	—	—	—	—	—	—	—		
		No rubbish disposal	—	—	—	—	—	—	—	—	—		
		Below Minimum Service Level sub-total	—	—	—	—	—	—	—	—	—		
		Total number of households	—	—	—	—	—	—	—	—	—		

[illegible]

DC21 Ugu Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	20 993	4 569 686	11 099 034	889 973	1 159 657	1 159 657	9 859 890	412 222	1 009 994	1 670 487
Cash + investments at the yr end less applications - R'000	18(1)b	2	(451 949)	(290 399)	(516 513)	(53 239)	427 686	427 686	(356 786)	1 029 378	1 151 604	1 160 733
Cash year end/monthly employee/supplier payments	18(1)b	3	0.3	63.9	131.4	14.3	27.3	27.3	168.1	9.3	21.9	34.6
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	67 859	95 795	247 866	633 114	931 518	931 518	150 259	778 724	831 515	899 535
Service charge rev % change - macro CPIx target exclusive	18(1)a(2)	5	N.A.	(7.8%)	7.0%	(11.8%)	1.0%	(6.0%)	(39.1%)	9.0%	(10.6%)	(1.2%)
Cash receipts % of Ratepayer & Other revenue	18(1)(c2)	6	0.0%	271.0%	537.2%	89.3%	122.6%	122.6%	1062.2%	62.1%	89.5%	89.5%
Debt impairment expense as a % of total billable revenue	18(1)a(2)	7	0.0%	0.0%	0.0%	15.7%	5.4%	5.4%	14.6%	4.9%	5.4%	5.4%
Capital payments % of capital expenditure	18(1)c:19	8	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - inc/(dec)	18(1)a	11	N.A.	(54.4%)	262.9%	90.4%	(31.1%)	0.0%	(13.7%)	7.7%	(32.7%)	12.3%
Long term receivables % change - inc/(dec)	18(1)a	12	N.A.	(3.4%)	27.4%	(17.2%)	1.3%	0.0%	(26.9%)	36.8%	4.6%	5.7%
R&M % of Property Plant & Equipment	20(1)(v)	13	12.2%	13.2%	8.0%	15.2%	11.0%	11.0%	15.0%	15.4%	13.0%	0.0%
Asset renewal % of capital budget	20(1)(v)	14	(1227.6%)	3313.1%	1826.7%	0.0%	0.0%	0.0%	0.0%	11.1%	11.1%	11.2%
References												
1. Positive cash balances indicative of minimum compliance - subject to 2												
2. Deduct cash and investment applications (defined) from cash balances												
3. Indicative of sufficient liquidity to meet average monthly operating payments												
4. Indicative of funded operational requirements												
5. Indicative of adherence to macro-economic targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)												
6. Realistic average cash collection forecasts as % of annual billed revenue												
7. Realistic average increase in debt impairment (doubtful debt) provision												
8. Indicative of planned capital expenditure level & cash payment timing												
9. Indicative of compliance with borrowing 'only' for the capital budget - should not exceed 100% unless refinancing												
10. Substantiation of National/Province allocations included in budget												
11. Indicative of realistic current arrears debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)												
12. Indicative of realistic long term arrears debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)												
13. Indicative of a credible allowance for repairs & maintenance of assets - functioning assets revenue protection												
14. Indicative of a credible allowance for asset renewal (requires analysis of asset renewal projects as % of total capital projects - detailed capital plan) - functioning assets revenue protection												
Supporting indicators												
% Incr total service charges (incl prop rates)	18(1)a			(1.8%)	13.0%	(5.8%)	7.0%	0.0%	(33.1%)	15.0%	(4.6%)	4.8%
% Incr Property Tax	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% Incr Service charges - Electricity	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% Incr Service charges - Water	18(1)a			(1.8%)	15.7%	(7.6%)	6.0%	0.0%	(32.7%)	15.0%	(4.6%)	4.8%
% Incr Service charges - Waste Water Management	18(1)a			(1.7%)	4.5%	0.7%	10.0%	0.0%	(34.4%)	15.0%	(4.5%)	4.9%
% Incr Service charges - Waste Management	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% Incr in Sale of Goods and Rendering of Services	18(1)a			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total billable revenue	18(1)a		452 900	444 946	502 857	473 915	506 857	506 857	338 916	582 886	556 048	582 849
Service charges			452 900	444 946	502 857	473 915	506 857	506 857	338 916	582 886	556 048	582 849
Property rates			-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue			-	-	-	-	-	-	-	-	-	-
Service charges - water revenue			344 026	337 897	390 940	361 232	382 906	382 906	257 647	440 342	419 912	440 043
Service charges - sanitation revenue			108 875	107 049	111 917	112 683	123 951	123 951	81 269	142 544	136 136	142 806
Service charges - refuse removal			-	-	-	-	-	-	-	-	-	-
Agency services			-	-	-	-	-	-	-	-	-	-
Capital expenditure excluding capital grant funding			(417 786)	136	196 526	-	15 958	15 958	7 752 808	-	-	-
Cash receipts from ratepayers	18(1)a		-	1 245 538	2 787 156	435 560	637 498	637 498	3 686 996	365 540	502 823	526 705
Ratepayer & Other revenue	18(1)a		467 881	459 616	518 791	487 496	520 120	520 120	347 106	588 349	561 762	588 820
Change in consumer debtors (current and non-current)		N/A		(54 051)	120 083	146 916	(9 664)	-	(39 276)	17 963	(91 487)	23 506
Operating and Capital Grant Revenue	18(1)a		813 169	881 972	1 107 882	1 208 865	1 159 304	1 159 304	757 565	957 840	1 049 739	1 104 833
Capital expenditure - total	20(1)(v)		(586 496)	217 290	394 456	454 992	387 621	387 621	8 653 142	270 733	283 187	295 930
Capital expenditure - renewal	20(1)(v)		7 199 802	7 198 961	7 205 546	-	-	-	-	30 000	31 500	33 075
Supporting benchmarks												
Growth guideline maximum			6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
CPI guideline			4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	5.0%	5.4%	5.6%	5.4%
DoRA operating grants total MFY												
DoRA capital grants total MFY												
Provincial operating grants												
Provincial capital grants												
District Municipality grants												
Total gazetted/advised national, provincial and district grants										-	-	-
Average annual collection rate (arrears inclusive)												
DoRA operating												
List operating grants												
DoRA capital												
List capital grants												
Trend												
Change in consumer debtors (current and non-current)			N/A	(54 051)	120 083	146 916	(9 664)	-	(39 276)	17 963	(91 487)	23 506
Total Operating Revenue			1 082 268	1 042 126	1 195 461	1 287 876	1 391 956	1 391 956	875 098	1 367 249	1 424 329	1 498 059
Total Operating Expenditure			1 256 091	1 295 140	1 456 107	1 109 757	820 915	820 915	1 005 621	859 257	876 001	894 455
Operating Performance Surplus/(Deficit)			(173 823)	(253 014)	(260 646)	178 119	571 041	571 041	(130 524)	507 991	548 328	603 605
Cash and Cash Equivalents (30 June 2021)										412 222		
Revenue												
% Increase in Total Operating Revenue				(3.7%)	14.7%	7.7%	8.1%	0.0%	(37.1%)	(1.8%)	4.2%	5.2%
% Increase in Property Rates Revenue				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% Increase in Electricity Revenue				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% Increase in Property Rates & Services Charges				(1.8%)	13.0%	(5.8%)	7.0%	0.0%	(33.1%)	15.0%	(4.6%)	4.8%
Expenditure												
% Increase in Total Operating Expenditure				3.1%	12.4%	(23.9%)	(26.0%)	0.0%	22.5%	4.7%	1.9%	2.1%
% Increase in Employee Costs				2.2%	24.8%	(20.6%)	(31.6%)	0.0%	43.3%	4.8%	4.6%	4.5%
% Increase in Electricity Bulk Purchases				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Average Cost Per Budgeted Employee Position (Remuneration)				0	0	0	0	0	0	0	0	0
Average Cost Per Councilor (Remuneration)				0	0	0	0	0	0	0	0	0
R&M % of PPE			12.2%	13.2%	8.0%	15.2%	11.0%	11.0%		15.0%	15.4%	13.0%
Asset Renewal and R&M as a % of PPE			1253.5%	920.2%	645.3%	96.8%	73.2%	73.2%		65.5%	61.5%	55.5%
Debt Impairment % of Total Billable Revenue			0.0%	0.0%	0.0%	15.7%	5.4%	5.4%	14.6%	4.9%	5.4%	5.4%
Capital Revenue												
Internally Funded & Other (R'000)			(417 786)	136	196 526	-	15 958	15 958	7 752 808	-	-	-
Borrowing (R'000)												
Grant Funding and Other (R'000)			(168 711)	217 154	197 930	454 992	371 664	371 664	900 334	270 733	283 187	295 930
Internally Generated funds % of Non Grant Funding			100.0%	100.0%	100.0%	0.0%	100.0%	100.0%	100.0%	0.0%	0.0%	0.0%
Borrowing % of Non Grant Funding			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grant Funding % of Total Funding			28.8%	99.9%	50.2%	100.0%	95.9%	95.9%	10.4%	100.0%	100.0%	100.0%
Capital Expenditure												
Total Capital Programme (R'000)			(586 496)	217 290	394 456	454 992	387 621	387 621	8 653 142	270 733	283 187	295 930
Asset Renewal			7 490 667	7 541 429	7 667 771	220 289	121 974	121 974	73 000	75 150	76 650	80 483
Asset Renewal % of Total Capital Expenditure			(1277.2%)	3470.7%	1943.9%	48.4%	31.5%	31.5%	0.8%	27.8%	27.1%	27.2%
Cash												
Cash Receipts % of Rate Payer & Other			0.0%	271.0%	537.2%	89.3%	122.6%	122.6%	1062.2%	62.1%	89.5%	89.5%
Cash Coverage Ratio			0	0	0	0	0	0	0	0	0	0
Borrowing												
Most recent Credit Rating												
Capital Charges to Operating			1.4%	1.8%	0.5%	0.7%	0.6%	0.6%	1.2%	0.6%	0.6%	0.6%
Borrowing Receipts % of Capital Expenditure			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Reserves												
Uncommitted reserves after application of cash and investments			(451 949)	(290 399)	(516 513)	(53 239)	427 686	427 686	(356 786)	1 029 378	1 151 604	1 160 733
Free Services												
Free Basic Services as a % of Equitable Share			0.0%	0.0%	653.7%	0.0%	1648.1%	1648.1%		1501.3%	0.0%	0.0%
Free Services as a % of Operating Revenue (excl operational transfers)			(1.1%)	(1.3%)	0.1%	(11.3%)	(10.2%)	(10.2%)		(10.2%)	(10.2%)	(10.3%)
High Level Outcome of Funding Compliance												
Total Operating Revenue			1 082 268	1 042 126	1 195 461	1 287 876	1 391 956	1 391 956	875 098	1 367 249	1 424 329	1 498 059
Total Operating Expenditure			1 256 091	1 295 140	1 456 107	1 109 757	820 915	820 915	1 005 621	859 257	876 001	894 455
Surplus/(Deficit) Budgeted Operating Statement			(173 823)	(253 014)	(260 646)	178 119	571 041	571 041	(130 524)	507 991	548 328	603 605
Surplus/(Deficit) Considering Reserves and Cash Backing			(451 949)	(290 399)	(516 513)	(53 239)	427 686	427 686	(356 786)	1 029 378	1 151 604	1 160 733
MTREF Funded (1) / Unfunded (0)	15		0	0	0	0	1	1	0	1	1	1
MTREF Funded ✓ / Unfunded □	15		□	□	□	□	✓	✓	□	✓	✓	✓

DC21 Ugu - Supporting Table SA11 Property rates summary

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Valuation:	1	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00
Date of valuation:		1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00
Financial year valuation used		1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00
Municipal by-laws s6 in place? (Y/N)	2	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00
Municipal/assistant valuer appointed? (Y/N)		1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00
Municipal partnership s38 used? (Y/N)		1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00
No. of assistant valuers (FTE)	3	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00
No. of data collectors (FTE)	3	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00
No. of internal valuers (FTE)	3	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00
No. of external valuers (FTE)	3	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00
No. of additional valuers (FTE)	4	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00
Valuation appeal board established? (Y/N)		1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00
Implementation time of new valuation roll (mths)		1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00
No. of properties	5	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00
No. of sectional title values	5	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00
No. of unreasonably difficult properties s7(2)		1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00
No. of supplementary valuations		1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00
No. of valuation roll amendments		1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00
No. of objections by rate payers		1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00
No. of appeals by rate payers		1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00
No. of successful objections	8	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00
No. of successful objections > 10%	8	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00
Supplementary valuation		1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00
Public service infrastructure value (Rm)	5	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00
Municipality owned property value (Rm)		1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00	1900/01/00
Valuation reductions:										
Valuation reductions-public infrastructure (Rm)		-	-	-	-	-	-	-	-	-
Valuation reductions-nature reserves/park (Rm)		-	-	-	-	-	-	-	-	-
Valuation reductions-mineral rights (Rm)		-	-	-	-	-	-	-	-	-
Valuation reductions-R15,000 threshold (Rm)		-	-	-	-	-	-	-	-	-
Valuation reductions-public worship (Rm)		-	-	-	-	-	-	-	-	-
Valuation reductions-other (Rm)		-	-	-	-	-	-	-	-	-
Total valuation reductions:		-	-	-	-	-	-	-	-	-
Total value used for rating (Rm)	5	-	-	-	-	-	-	-	-	-
Total land value (Rm)	5	-	-	-	-	-	-	-	-	-
Total value of improvements (Rm)	5	-	-	-	-	-	-	-	-	-
Total market value (Rm)	5	-	-	-	-	-	-	-	-	-
Rating:										
Residential rate used to determine rate for other categories? (Y/N)		#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Differential rates used? (Y/N)	5	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Limit on annual rate increase (s20)? (Y/N)		#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Special rating area used? (Y/N)		#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Phasing-in properties s21 (number)		0	0	0	0	0	0	0	0	0
Rates policy accompanying budget? (Y/N)		0	0	0	0	0	0	0	0	0
Fixed amount minimum value (R'000)		0	0	0	0	0	0	0	0	0
Non-residential prescribed ratio s19? (%)		0	0	0	0	0	0	0	0	0
Rate revenue:										
Rate revenue budget (R'000)	6	-	-	-	-	-	-	-	-	-
Rate revenue expected to collect (R'000)	6	-	-	-	-	-	-	-	-	-
Expected cash collection rate (%)		-	-	-	-	-	-	-	-	-
Special rating areas (R'000)	7	-	-	-	-	-	-	-	-	-
Rebates, exemptions - indigent (R'000)		-	-	-	-	-	-	-	-	-
Rebates, exemptions - pensioners (R'000)		-	-	-	-	-	-	-	-	-
Rebates, exemptions - bona fide farm. (R'000)		-	-	-	-	-	-	-	-	-
Rebates, exemptions - other (R'000)		-	-	-	-	-	-	-	-	-
Phase-in reductions/discounts (R'000)		-	-	-	-	-	-	-	-	-
Total rebates,exemptns,eductns,discs (R'000)		-	-	-	-	-	-	-	-	-

References

1. All numbers to be expressed as whole numbers except FTEs and Rates in the Rand
2. To give effect to rates policy
3. Full Time Equivalent (FTE) should be expressed to one decimal place and takes into account full time and part time staff
4. Required to implement new system (FTE)
5. Provide relevant information for historical comparisons. Must reconcile to the total of Table SA12
6. Current and budget year must reconcile to
7. Included in rate revenue budget
8. In favour of the rate-payer

DC21 Ugu - Supporting Table SA12a Property rates by category (current year)

Description	Ref	Business and commercial properties	Industrial properties	Mining properties	Residential properties	Agricultural properties	Public benefit organisations	Public service purpose properties	Public service infrastructure properties	Vacant land	Sport Clubs and Fields (Bitou only)	Sectional Title Garages (Drakenstein only)
Current Year 2023/24												
Valuation:												
No. of properties		-	-	-	-	-	-	-	-	-	-	-
No. of sectional title property values		-	-	-	-	-	-	-	-	-	-	-
No. of unreasonably difficult properties s7(2)		-	-	-	-	-	-	-	-	-	-	-
No. of supplementary valuations		-	-	-	-	-	-	-	-	-	-	-
Supplementary valuation (Rm)		-	-	-	-	-	-	-	-	-	-	-
No. of valuation roll amendments		-	-	-	-	-	-	-	-	-	-	-
No. of objections by rate-payers		-	-	-	-	-	-	-	-	-	-	-
No. of appeals by rate-payers		-	-	-	-	-	-	-	-	-	-	-
No. of appeals by rate-payers finalised		-	-	-	-	-	-	-	-	-	-	-
No. of successful objections	5	-	-	-	-	-	-	-	-	-	-	-
No. of successful objections > 10%	5	-	-	-	-	-	-	-	-	-	-	-
Estimated no. of properties not valued		-	-	-	-	-	-	-	-	-	-	-
Years since last valuation (select)		-	-	-	-	-	-	-	-	-	-	-
Frequency of valuation (select)		-	-	-	-	-	-	-	-	-	-	-
Method of valuation used (select)		-	-	-	-	-	-	-	-	-	-	-
Base of valuation (select)		-	-	-	-	-	-	-	-	-	-	-
Phasing-in properties s21 (number)		-	-	-	-	-	-	-	-	-	-	-
Combination of rating types used? (Y/N)		-	-	-	-	-	-	-	-	-	-	-
Fiat rate used? (Y/N)		-	-	-	-	-	-	-	-	-	-	-
Is balance rated by uniform rate/variable rate?		-	-	-	-	-	-	-	-	-	-	-
Valuation reductions:												
Valuation reductions-public infrastructure (Rm)		-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-nature reserves/park (Rm)		-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-mineral rights (Rm)		-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-R15,000 threshold (Rm)		-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-public worship (Rm)		-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-other (Rm)	2	-	-	-	-	-	-	-	-	-	-	-
Total valuation reductions:												
Total value used for rating (Rm)	6	-	-	-	-	-	-	-	-	-	-	-
Total land value (Rm)	6	-	-	-	-	-	-	-	-	-	-	-
Total value of improvements (Rm)	6	-	-	-	-	-	-	-	-	-	-	-
Total market value (Rm)	6	-	-	-	-	-	-	-	-	-	-	-
Rating:												
Average rate	3	-	-	-	-	-	-	-	-	-	-	-
Rate revenue budget (R '000)		-	-	-	-	-	-	-	-	-	-	-
Rate revenue expected to collect (R'000)		-	-	-	-	-	-	-	-	-	-	-
Expected cash collection rate (%)	4	-	-	-	-	-	-	-	-	-	-	-
Special rating areas (R'000)		-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - indigent (R'000)		-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - pensioners (R'000)		-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - bona fide farm. (R'000)		-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - other (R'000)		-	-	-	-	-	-	-	-	-	-	-
Phase-in reductions/discounts (R'000)		-	-	-	-	-	-	-	-	-	-	-
Total rebates,exemptns,reductns,discs (R'000)		-	-	-	-	-	-	-	-	-	-	-

References

1. Land & Assistance Act, Restitution of Land Rights, Communal Property Associations
2. Include value of additional reductions is 'free' value greater than MPRA minimum.
3. Average rate - cents in the Rand. Eg 10.26 cents in the Rand is 0.1026, expressed to 6 decimal places maximum
4. Include arrears collections
5. In favour of the rate-payer
6. Provide relevant information for historical comparisons.

DC21 Ugu - Supporting Table SA12b Property rates by category (budget year)

Description	Ref	Business and commercial properties	Industrial properties	Mining properties	Residential properties	Agricultural properties	Public benefit organisations	Public service purpose properties	Public service infrastructure properties	Vacant land	Sport Clubs and Fields (Bitou only)	Sectional Title Garages (Drakenstein only)
Budget Year 2024/25												
Valuation:												
No. of properties		-	-	-	-	-	-	-	-	-	-	-
No. of sectional title property values		-	-	-	-	-	-	-	-	-	-	-
No. of unreasonably difficult properties s7(2)		-	-	-	-	-	-	-	-	-	-	-
No. of supplementary valuations		-	-	-	-	-	-	-	-	-	-	-
Supplementary valuation (Rm)		-	-	-	-	-	-	-	-	-	-	-
No. of valuation roll amendments		-	-	-	-	-	-	-	-	-	-	-
No. of objections by rate-payers		-	-	-	-	-	-	-	-	-	-	-
No. of appeals by rate-payers		-	-	-	-	-	-	-	-	-	-	-
No. of appeals by rate-payers finalised		-	-	-	-	-	-	-	-	-	-	-
No. of successful objections	5	-	-	-	-	-	-	-	-	-	-	-
No. of successful objections > 10%	5	-	-	-	-	-	-	-	-	-	-	-
Estimated no. of properties not valued		-	-	-	-	-	-	-	-	-	-	-
Years since last valuation (select)		-	-	-	-	-	-	-	-	-	-	-
Frequency of valuation (select)		-	-	-	-	-	-	-	-	-	-	-
Method of valuation used (select)		-	-	-	-	-	-	-	-	-	-	-
Base of valuation (select)		-	-	-	-	-	-	-	-	-	-	-
Phasing-in properties s21 (number)		-	-	-	-	-	-	-	-	-	-	-
Combination of rating types used? (Y/N)		-	-	-	-	-	-	-	-	-	-	-
Flat rate used? (Y/N)		-	-	-	-	-	-	-	-	-	-	-
Is balance rated by uniform rate/variable rate?		-	-	-	-	-	-	-	-	-	-	-
Valuation reductions:												
Valuation reductions-public infrastructure (Rm)		-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-nature reserves/park (Rm)		-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-mineral rights (Rm)		-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-R15,000 threshold (Rm)		-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-public worship (Rm)		-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-other (Rm)	2	-	-	-	-	-	-	-	-	-	-	-
Total valuation reductions:												
Total value used for rating (Rm)	6	-	-	-	-	-	-	-	-	-	-	-
Total land value (Rm)	6	-	-	-	-	-	-	-	-	-	-	-
Total value of improvements (Rm)	6	-	-	-	-	-	-	-	-	-	-	-
Total market value (Rm)	6	-	-	-	-	-	-	-	-	-	-	-
Rating:												
Average rate	3	-	-	-	-	-	-	-	-	-	-	-
Rate revenue budget (R '000)		-	-	-	-	-	-	-	-	-	-	-
Rate revenue expected to collect (R'000)		-	-	-	-	-	-	-	-	-	-	-
Expected cash collection rate (%)	4	-	-	-	-	-	-	-	-	-	-	-
Special rating areas (R'000)		-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - indigent (R'000)		-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - pensioners (R'000)		-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - bona fide farm. (R'000)		-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - other (R'000)		-	-	-	-	-	-	-	-	-	-	-
Phase-in reductions/discounts (R'000)		-	-	-	-	-	-	-	-	-	-	-
Total rebates, exemptns, reductns, discs (R'000)		-	-	-	-	-	-	-	-	-	-	-

References

1. Land & Assistance Act, Restitution of Land Rights, Communal Property Associations
2. Include value of additional reductions is 'free' value greater than MPRA minimum.
3. Average rate - cents in the Rand. Eg 10.26 cents in the Rand is 0.1026, expressed to 6 decimal places maximum
4. Include arrears collections
5. In favour of the rate-payer
6. Provide relevant information for historical comparisons.

DC21 Ugu - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2020/21	2021/22	2022/23	Current Year 2023/24	2024/25 Medium Term Revenue & Expenditure Framework		
							Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Property rates (rate in the Rand)	1								
Residential properties			-	-	-	-	-	-	-
Residential properties - vacant land			-	-	-	-	-	-	-
Formal/informal settlements			-	-	-	-	-	-	-
Small holdings			-	-	-	-	-	-	-
Farm properties - used			-	-	-	-	-	-	-
Farm properties - not used			-	-	-	-	-	-	-
Industrial properties			-	-	-	-	-	-	-
Business and commercial properties			-	-	-	-	-	-	-
Communal land - residential			-	-	-	-	-	-	-
Communal land - small holdings			-	-	-	-	-	-	-
Communal land - farm property			-	-	-	-	-	-	-
Communal land - business and commercial			-	-	-	-	-	-	-
Communal land - other			-	-	-	-	-	-	-
State-owned properties			-	-	-	-	-	-	-
Municipal properties			-	-	-	-	-	-	-
Public service infrastructure			-	-	-	-	-	-	-
Privately owned towns serviced by the owner			-	-	-	-	-	-	-
State trust land			-	-	-	-	-	-	-
Restitution and redistribution properties			-	-	-	-	-	-	-
Protected areas			-	-	-	-	-	-	-
National monuments properties			-	-	-	-	-	-	-
Property rates by usage									
Business and commercial properties			-	-	-	-	-	-	-
Industrial properties			-	-	-	-	-	-	-
Mining properties			-	-	-	-	-	-	-
Residential properties			-	-	-	-	-	-	-
Agricultural properties			-	-	-	-	-	-	-
Public benefit organisations			-	-	-	-	-	-	-
Public service purpose properties			-	-	-	-	-	-	-
Public service infrastructure properties			-	-	-	-	-	-	-
Vacant land			-	-	-	-	-	-	-
Sport Clubs and Fields (Bitou only)			-	-	-	-	-	-	-
Sectional Title Garages (Drakenstein only)			-	-	-	-	-	-	-
Exemptions, reductions and rebates (Rands)									
Residential properties									
R15 000 threshold rebate			15 000	15 000	15 000	15 000	15 000	15 000	15 000
General residential rebate			-	-	-	-	-	-	-
Indigent rebate or exemption			-	-	-	-	-	-	-
Pensioners/social grants rebate or exemption			-	-	-	-	-	-	-
Temporary relief rebate or exemption			-	-	-	-	-	-	-
Bona fide farmers rebate or exemption			-	-	-	-	-	-	-
Other rebates or exemptions	2		-	-	-	-	-	-	-
Water tariffs									
Domestic									
Basic charge/fix fee (Rands/month)			-	-	-	-	-	-	-
Service point - vacant land (Rands/month)			-	-	-	-	-	-	-
Water usage - flat rate tariff (c/k)			-	-	-	-	-	-	-
Water usage - life line tariff		(describe structure)	-	-	-	-	-	-	-
Water usage - Block 1 (c/k)		(fill in thresholds)	-	-	-	-	-	-	-
Water usage - Block 2 (c/k)		(fill in thresholds)	-	-	-	-	-	-	-
Water usage - Block 3 (c/k)		(fill in thresholds)	-	-	-	-	-	-	-
Water usage - Block 4 (c/k)		(fill in thresholds)	-	-	-	-	-	-	-
Water usage - Block 5 (c/k)		(fill in thresholds)	-	-	-	-	-	-	-
Water usage - Block 6 (c/k)		(fill in thresholds)	-	-	-	-	-	-	-
Other	2		-	-	-	-	-	-	-

Waste water tariffs									
<i>Domestic</i>									
Basic charge/ fixed fee (Rands/month)		-	-	-	-	-	-	-	-
Service point - vacant land (Rands/month)		-	-	-	-	-	-	-	-
Waste water - flat rate tariff (c/kℓ)		-	-	-	-	-	-	-	-
Volumetric charge - Block 1 (c/kℓ)	(fill in structure)	-	-	-	-	-	-	-	-
Volumetric charge - Block 2 (c/kℓ)	(fill in structure)	-	-	-	-	-	-	-	-
Volumetric charge - Block 3 (c/kℓ)	(fill in structure)	-	-	-	-	-	-	-	-
Volumetric charge - Block 4 (c/kℓ)	(fill in structure)	-	-	-	-	-	-	-	-
<i>Other</i>	2	-	-	-	-	-	-	-	-
Electricity tariffs									
<i>Domestic</i>									
Basic charge/ fixed fee (Rands/month)		-	-	-	-	-	-	-	-
Service point - vacant land (Rands/month)		-	-	-	-	-	-	-	-
FBE	(how is this targeted?)	-	-	-	-	-	-	-	-
Life-line tariff - meter	(describe structure)	-	-	-	-	-	-	-	-
Life-line tariff - prepaid	(describe structure)	-	-	-	-	-	-	-	-
Flat rate tariff - meter (c/kwh)	#N/A	-	-	-	-	-	-	-	-
Flat rate tariff - prepaid(c/kwh)	#N/A	-	-	-	-	-	-	-	-
Meter - IBT Block 1 (c/kwh)	(fill in thresholds)	-	-	-	-	-	-	-	-
Meter - IBT Block 2 (c/kwh)	(fill in thresholds)	-	-	-	-	-	-	-	-
Meter - IBT Block 3 (c/kwh)	(fill in thresholds)	-	-	-	-	-	-	-	-
Meter - IBT Block 4 (c/kwh)	(fill in thresholds)	-	-	-	-	-	-	-	-
Meter - IBT Block 5 (c/kwh)	(fill in thresholds)	-	-	-	-	-	-	-	-
Prepaid - IBT Block 1 (c/kwh)	(fill in thresholds)	-	-	-	-	-	-	-	-
Prepaid - IBT Block 2 (c/kwh)	(fill in thresholds)	-	-	-	-	-	-	-	-
Prepaid - IBT Block 3 (c/kwh)	(fill in thresholds)	-	-	-	-	-	-	-	-
Prepaid - IBT Block 4 (c/kwh)	(fill in thresholds)	-	-	-	-	-	-	-	-
Prepaid - IBT Block 5 (c/kwh)	(fill in thresholds)	-	-	-	-	-	-	-	-
<i>Other</i>	2	-	-	-	-	-	-	-	-
Waste management tariffs									
<i>Domestic</i>									
Street cleaning charge		-	-	-	-	-	-	-	-
Basic charge/ fixed fee		-	-	-	-	-	-	-	-
80ℓ bin - once a week		-	-	-	-	-	-	-	-
250ℓ bin - once a week		-	-	-	-	-	-	-	-

References

1. If properties are not rated or zero rated this must be indicated as such
2. Please provide detailed descriptions on Sheet SA13b

DC21 Ugu - Supporting Table SA13b Service Tariffs by category - explanatory

Description	Ref	Provide description of tariff structure where appropriate	2020/21	2021/22	2022/23	Current Year 2023/24	2024/25 Medium Term Revenue & Expenditure Framework		
							Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Exemptions, reductions and rebates (Rands) (Insert lines as applicable)									
Water tariffs (Insert blocks as applicable)		(fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds)							
Waste water tariffs (Insert blocks as applicable)		(fill in structure) (fill in structure) (fill in structure) (fill in structure) (fill in structure) (fill in structure) (fill in structure)							
Electricity tariffs (Insert blocks as applicable)		(fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds)							

DC21 Ugu - Supporting Table SA14 Household bills

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25 % incr.	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		-	-	-	-	-	-	-	-	-	-
Electricity: Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity: Consumption		-	-	-	-	-	-	-	-	-	-
Water: Basic levy		-	-	-	-	-	-	-	-	-	-
Water: Consumption		-	-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-	-
Refuse removal		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
sub-total		-	-	-	-	-	-	-	-	-	-
VAT on Services		-	-	-	-	-	-	-	-	-	-
Total large household bill:		-	-	-	-	-	-	-	-	-	-
% increase/-decrease		-	-	-	-	-	-	-	-	-	-
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		-	-	-	-	-	-	-	-	-	-
Electricity: Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity: Consumption		-	-	-	-	-	-	-	-	-	-
Water: Basic levy		-	-	-	-	-	-	-	-	-	-
Water: Consumption		-	-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-	-
Refuse removal		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
sub-total		-	-	-	-	-	-	-	-	-	-
VAT on Services		-	-	-	-	-	-	-	-	-	-
Total small household bill:		-	-	-	-	-	-	-	-	-	-
% increase/-decrease		-	-	-	-	-	-	-	-	-	-
Monthly Account for Household - 'Indigent'	3										
Household receiving free basic services											
Rates and services charges:											
Property rates		-	-	-	-	-	-	-	-	-	-
Electricity: Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity: Consumption		-	-	-	-	-	-	-	-	-	-
Water: Basic levy		-	-	-	-	-	-	-	-	-	-
Water: Consumption		-	-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-	-
Refuse removal		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
sub-total		-	-	-	-	-	-	-	-	-	-
VAT on Services		-	-	-	-	-	-	-	-	-	-
Total small household bill:		-	-	-	-	-	-	-	-	-	-
% increase/-decrease		-	-	-	-	-	-	-	-	-	-

References

1. Use as basis property value of R700 000, 1 000 kWh electricity and 30kl water
2. Use as basis property value of R500 000 and R700 000, 500 kWh electricity and 25kl water
3. Use as basis property value of R 300 000, 350kWh electricity and 20kl water (50 kWh electricity and 6 kl water free)

DC21 Ugu - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
<u>Parent municipality</u>										
Securities - National Government	1	-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		-	-	-	-	-	-	-	-	-
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Municipal Bonds		-	-	-	-	-	-	-	-	-
Municipality sub-total		-	-	-	-	-	-	-	-	-
<u>Entities</u>										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		-	-	-	-	-	-	-	-	-
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Entities sub-total	-	-	-	-	-	-	-	-	-	
Consolidated total:		-	-	-	-	-	-	-	-	

References

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

DC21 Ugu - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID	1	Yrs/Months												
Parent municipality														-
														-
														-
														-
Municipality sub-total										-		-	-	-
Entities														-
														-
														-
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	1									-		-	-	-

References

1. Total investments must reconcile to all items in Table SA15 for the Current Year (30 June)

2. List investments in expiry date order

3. If variable is selected in column F, input interest rate range

4. Withdrawals to be entered as negative

check

DC21 Ugu - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
Parent municipality										
Annuity and Bullet Loans		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entities										
Annuity and Bullet Loans		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	-	-	-	-	-	-	-	-	-
Unspent Borrowing - Categorised by type										
Parent municipality										
Long-Term Loans (annuity/reducing balance)		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entities										
Long-Term Loans (annuity/reducing balance)		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Unspent Borrowing	1	-	-	-	-	-	-	-	-	-

References

1. Total borrowing must reconcile to Budgeted Financial Position (Borrowing - non-current)
check borrowing balance

- - - - -

DC21 Ugu - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
RECEIPTS:	1, 2									
<u>Operating Transfers and Grants</u>										
National Government:		569 801	540 697	605 090	750 052	800 274	800 274	740 984	789 320	832 541
EPWP Incentive		4 468	3 611	3 319	–	3 606	3 606	2 864	–	–
Finance Management		1 800	1 750	1 950	1 950	1 950	1 950	1 900	2 000	2 200
Local Government Equitable Share	–	557 282	524 364	585 146	693 571	630 083	630 083	667 211	704 998	744 121
Municipal Disaster Recovery Grant		–	2 000	2 000	44 619	44 619	44 619	–	–	–
Municipal Drought Relief		745	745	745	–	–	–	–	–	–
Municipal Infrastructure Grant		–	–	–	7 053	70 541	70 541	66 021	79 200	82 955
Rural Road Asset Management Systems Grant	–	5 506	8 227	11 930	2 859	2 859	2 859	2 988	3 122	3 265
Water Services Operating Subsidy		–	–	–	–	46 616	46 616	–	–	–
Provincial Government:		15 385	41 085	43 685	–	–	–	–	–	–
KwaZulu-Natal_Capacity Building and Other_Capa	–	15 385	15 385	15 385	–	–	–	–	–	–
KwaZulu-Natal_Infrastructure_Infrastructure_RECE	–	–	25 700	28 300	–	–	–	–	–	–
Water Services Operating Subsidy										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Operating Transfers and Grants	5	585 186	581 782	648 775	750 052	800 274	800 274	740 984	789 320	832 541
<u>Capital Transfers and Grants</u>										
National Government:		254 175	340 650	765 674	454 994	402 573	402 573	275 321	312 767	315 017
Municipal Infrastructure Grant (MIG)	–	191 399	255 524	532 898	219 838	200 417	200 417	204 937	225 017	225 017
Municipal Disaster Recovery Grant		–	–	–	85 156	85 156	85 156	–	–	–
Regional Bulk Infrastructure		12 776	12 776	12 776	–	–	–	–	–	–
Water Services Infrastructure Grant	–	50 000	72 350	220 000	150 000	117 000	117 000	70 384	87 750	90 000
Other capital transfers/grants [insert desc]										
Provincial Government:		15 385	15 385	15 385	–	–	–	–	–	–
KwaZulu-Natal_Capacity Building and Other_Capacity Building and Other_RECEIPTS	–	15 385	15 385	15 385	–	–	–	–	–	–
KwaZulu-Natal_Infrastructure_Infrastructure_RECEIPTS		–	25 700	28 300	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Capital Transfers and Grants	5	269 560	356 035	781 059	454 994	402 573	402 573	275 321	312 767	315 017
TOTAL RECEIPTS OF TRANSFERS & GRANTS		854 746	937 817	1 429 834	1 205 046	1 202 847	1 202 847	1 016 305	1 102 087	1 147 558

References

- Each transfer/grant is listed by name as gazetted together with the name of the transferring department or municipality, donor or other organisation
- Amounts actually RECEIVED; not revenue recognised (objective is to confirm grants transferred)
- Replacement of RSC levies
- Housing subsidies for housing where ownership transferred to organisations or persons outside the control of the municipality
- Total transfers and grants must reconcile to Budgeted Cash Flows
- Motor vehicle licensing refunds to be included under 'agency' services (Not Grant Receipts)

DC21 Ugu - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
EXPENDITURE:	1									
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		(202 169)	(265 287)	(292 748)	56 481	165 671	165 671	46 591	51 917	54 600
Expanded Public Works Programme Integrated Gra	-	(4 468)	(3 611)	(3 319)	-	3 606	3 606	(2 864)	-	-
Local Government Financial Management Grant	-	(1 800)	(1 750)	(1 950)	1 950	1 950	1 950	1 900	2 000	2 200
Municipal Disaster Recovery Grant	-	-	-	(2 000)	44 619	44 619	44 619	-	-	-
Municipal Disaster Relief Grant	-	(745)	(745)	(745)	-	-	-	-	-	-
Municipal Infrastructure Grant	-	(191 399)	(255 524)	(277 374)	7 053	66 021	66 021	44 567	46 795	49 135
Rural Road Asset Management Systems Grant	-	(3 757)	(3 657)	(7 360)	2 859	2 859	2 859	2 988	3 122	3 265
Water Services Infrastructure Grant	-	-	-	-	-	46 616	46 616	-	-	-
Provincial Government:		(4 700)	(4 700)	(4 700)	-	1 873	1 873	-	-	-
KwaZulu-Natal	-	(4 700)	(4 700)	(4 700)	-	1 873	1 873	-	-	-
KwaZulu-Natal_Infrastructure_Infrastructure_RECEIPTS										
Water Services Operating Subsidy										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total operating expenditure of Transfers and Grants:		(206 869)	(269 987)	(297 448)	56 481	167 544	167 544	46 591	51 917	54 600
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		(78 086)	(121 371)	(276 159)	454 994	360 477	360 477	238 310	192 021	201 622
KwaZulu-Natal	-	(15 310)	(36 245)	(43 383)	-	-	-	-	-	-
Municipal Disaster Recovery Grant	-	-	-	-	85 156	85 156	85 156	-	-	-
Municipal Infrastructure Grant	-	-	-	-	219 838	204 937	204 937	138 310	145 225	152 487
Regional Bulk Infrastructure Grant	-	(12 776)	(12 776)	(12 776)	-	-	-	-	-	-
Water Services Infrastructure Grant	-	(50 000)	(72 350)	(220 000)	150 000	70 384	70 384	100 000	46 795	49 135
Other capital transfers/grants [insert desc]										
Provincial Government:		(15 310)	(36 245)	(43 383)	-	-	-	-	-	-
KwaZulu-Natal	-	(15 310)	(36 245)	(43 383)	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total capital expenditure of Transfers and Grants		(93 396)	(157 616)	(319 542)	454 994	360 477	360 477	238 310	192 021	201 622
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		(300 265)	(427 603)	(616 990)	511 475	528 021	528 021	284 901	243 938	256 222

References

1. Expenditure must be separately listed for each transfer or grant received or recognised

DC21 Ugu - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description		Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Operating transfers and grants:		1,3									
National Government:											
Balance unspent at beginning of the year											
Current year receipts			569 801	540 697	605 090	750 052	800 274	800 274	740 984	789 320	832 541
Repayment of grants											
Conditions met - transferred to revenue			367 632	275 410	312 342	806 533	965 945	965 945	787 575	841 237	887 141
Conditions still to be met - transferred to liabilities			202 169	265 287	292 748	(56 481)	(165 671)	(165 671)	(46 591)	(51 917)	(54 600)
Provincial Government:											
Balance unspent at beginning of the year											
Current year receipts			15 385	41 085	43 685	–	–	–	–	–	–
Conditions met - transferred to revenue			10 685	36 385	38 985	–	1 873	1 873	–	–	–
Conditions still to be met - transferred to liabilities			4 700	4 700	4 700	–	(1 873)	(1 873)	–	–	–
District Municipality:											
Balance unspent at beginning of the year											
Current year receipts			–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue			–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities			–	–	–	–	–	–	–	–	–
Other grant providers:											
Balance unspent at beginning of the year											
Current year receipts			–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue			–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities			–	–	–	–	–	–	–	–	–
Total operating transfers and grants revenue			378 317	311 795	351 327	806 533	967 818	967 818	787 575	841 237	887 141
Total operating transfers and grants - CTBM		2	206 869	269 987	297 448	(56 481)	(167 544)	(167 544)	(46 591)	(51 917)	(54 600)
Capital transfers and grants:		1,3									
National Government:											
Balance unspent at beginning of the year											
Current year receipts			254 175	340 650	765 674	454 994	402 573	402 573	275 321	312 767	315 017
Conditions met - transferred to revenue			332 261	462 021	1 041 833	–	42 096	42 096	37 011	120 746	113 396
Conditions still to be met - transferred to liabilities			(78 086)	(121 371)	(276 159)	454 994	360 477	360 477	238 310	192 021	201 622
Provincial Government:											
Balance unspent at beginning of the year											
Current year receipts			–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue			(15 310)	(36 245)	(43 383)	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities			15 310	36 245	43 383	–	–	–	–	–	–
District Municipality:											
Balance unspent at beginning of the year											
Current year receipts			–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue			–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities			–	–	–	–	–	–	–	–	–
Other grant providers:											
Balance unspent at beginning of the year											
Current year receipts			269 560	356 035	781 059	454 994	402 573	402 573	275 321	312 767	315 017
Conditions met - transferred to revenue			269 560	356 035	781 059	454 994	402 573	402 573	275 321	312 767	315 017
Conditions still to be met - transferred to liabilities			–	–	–	–	–	–	–	–	–
Total capital transfers and grants revenue			586 511	781 811	1 779 509	454 994	444 669	444 669	312 332	433 513	428 413
Total capital transfers and grants - CTBM		2	(62 776)	(85 126)	(232 776)	454 994	360 477	360 477	238 310	192 021	201 622
TOTAL TRANSFERS AND GRANTS REVENUE			964 828	1 093 606	2 130 836	1 261 527	1 412 487	1 412 487	1 099 907	1 274 750	1 315 554
TOTAL TRANSFERS AND GRANTS - CTBM			144 093	184 861	64 672	398 513	192 933	192 933	191 719	140 103	147 022

References

1. Total capital transfers and grants revenue must reconcile to Budgeted Financial Performance and Financial Position; total recurrent grants revenue must reconcile to Budgeted Financial Performance
2. CTBM = conditions to be met
3. National Treasury database will require this reconciliation for each transfer/grant

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

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	
R thousand											
<u>Cash Transfers to other municipalities</u>											
<i>Insert description</i>	1	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
<u>Cash Transfers to Entities/Other External Mechanisms</u>											
<i>Insert description</i>	2	11 736	2 786	21 650	8 000	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Entities/Ems'		11 736	2 786	21 650	8 000	-	-	-	-	-	-
<u>Cash Transfers to other Organs of State</u>											
<i>Insert description</i>	3	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
<u>Cash Transfers to Organisations</u>											
<i>Insert description</i>		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Organisations		-	-	-	-	-	-	-	-	-	-
<u>Cash Transfers to Groups of Individuals</u>											
<i>Insert description</i>		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL CASH TRANSFERS AND GRANTS	6	11 736	2 786	21 650	8 000	-	-	-	-	-	-
<u>Non-Cash Transfers to other municipalities</u>											
<i>Insert description</i>	1	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
<u>Non-Cash Transfers to Entities/Other External Mechanisms</u>											
<i>Insert description</i>	2	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
<u>Non-Cash Transfers to other Organs of State</u>											
<i>Insert description</i>	3	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
<u>Non-Cash Grants to Organisations</u>											
<i>Insert description</i>	4	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Grants To Organisations		-	-	-	-	-	-	-	-	-	-
<u>Groups of Individuals</u>											
<i>Insert description</i>	5	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Grants To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL NON-CASH TRANSFERS AND GRANTS		-	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS	6	11 736	2 786	21 650	8 000	-	-	-	-	-	-

References

1. Insert description listed by municipal name and demarcation code of recipient
2. Insert description of each entity or external mechanism (an external mechanism may be provided with resources to ensure a minimum level of service)
3. Insert description of each Organ of State (e.g. transfer to electricity provider to compensate for FBS provided)
4. Insert description of each other organisation (e.g. charity)
5. Insert description of each other organisation (e.g. the aged, child-headed households)
6. All descriptions should separate transfers for 'capital purposes' and 'operating purposes'

DC21 Ugu - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages	1	-	-	8 796	8 058	10 343	10 343	10 343	7 655	7 273
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	416	416	416	416	395	376
Cellphone Allowance		-	-	-	742	742	742	742	705	670
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	2 998	2 192	2 192	2 192	2 192	2 082	1 978
Sub Total - Councillors		-	-	11 795	11 409	13 693	13 693	13 693	10 838	10 296
% increase	4		-	-	(3.3%)	20.0%	-	-	(20.8%)	(5.0%)
Senior Managers of the Municipality										
Basic Salaries and Wages	2	613	211	-	5 162	5 162	5 162	5 162	4 904	4 659
Pension and UIF Contributions		135	46	-	-	-	-	-	-	-
Medical Aid Contributions		54	16	-	65	65	65	65	62	59
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		51	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	332	397	229	1 713	1 713	1 713	1 713	1 628	1 546
Cellphone Allowance	3	12	4	-	148	148	148	148	140	133
Housing Allowances	3	2	1	-	494	494	494	494	469	446
Other benefits and allowances	3	-	3	-	-	-	-	-	-	-
Payments in lieu of leave		62	-	331	-	-	-	-	-	-
Long service awards		74	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		1 334	678	560	7 583	7 583	7 583	7 583	7 204	6 843
% increase	4		(49.1%)	(17.5%)	1 255.0%	-	-	-	(5.0%)	(5.0%)
Other Municipal Staff										
Basic Salaries and Wages		234 183	247 246	306 766	208 112	208 112	208 112	127 630	144 875	141 578
Pension and UIF Contributions		41 795	42 337	52 980	43 309	43 309	43 309	43 309	41 379	39 553
Medical Aid Contributions		17 437	16 807	20 065	20 372	20 372	20 372	20 372	19 415	18 445
Overtime		44 198	51 459	50 094	7 532	7 532	7 532	7 532	7 155	6 797
Performance Bonus		19 245	19 408	24 000	80 549	80 549	80 549	37 695	43 415	39 553
Motor Vehicle Allowance	3	9 439	9 670	10 056	8 646	8 646	8 646	8 646	9 841	9 349
Cellphone Allowance	3	2 801	2 723	3 110	3 047	3 047	3 047	3 047	3 056	2 925
Housing Allowances	3	1 780	1 618	1 572	1 760	1 760	1 760	1 760	2 141	2 034
Other benefits and allowances	3	10 361	12 189	26 519	9 522	9 522	9 522	9 522	9 046	8 594
Payments in lieu of leave		4 788	4 225	6 368	2 013	2 013	2 013	2 013	1 912	1 816
Long service awards		7 771	(1 996)	6 478	2 403	2 403	2 403	2 403	2 283	2 169
Post-retirement benefit obligations	6	3 277	4 244	4 884	-	-	-	-	-	-
Entertainment		3 859	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		2 731	3 115	2 691	15 000	15 000	15 000	8 954	8 507	8 081
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		403 667	413 045	515 582	402 264	402 264	402 264	272 882	293 025	280 894
% increase	4		2.3%	24.8%	(22.0%)	-	-	(32.2%)	7.4%	(4.1%)
Total Parent Municipality		405 001	413 723	527 937	421 255	423 540	423 540	294 158	311 067	298 034
			2.2%	27.6%	(20.2%)	0.5%	-	(30.5%)	5.7%	(4.2%)
Board Members of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Board Fees		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Board Members of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-

Senior Managers of Entities											
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-	
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-	
Medical Aid Contributions		-	-	-	-	-	-	-	-	-	
Overtime		-	-	-	-	-	-	-	-	-	
Performance Bonus		-	-	-	-	-	-	-	-	-	
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-	
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-	
Housing Allowances	3	-	-	-	-	-	-	-	-	-	
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-	
Payments in lieu of leave		-	-	-	-	-	-	-	-	-	
Long service awards		-	-	-	-	-	-	-	-	-	
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-	
Entertainment		-	-	-	-	-	-	-	-	-	
Scarcity		-	-	-	-	-	-	-	-	-	
Acting and post related allowance		-	-	-	-	-	-	-	-	-	
In kind benefits		-	-	-	-	-	-	-	-	-	
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	-	-	
% increase	4		-	-	-	-	-	-	-	-	
Other Staff of Entities											
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-	
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-	
Medical Aid Contributions		-	-	-	-	-	-	-	-	-	
Overtime		-	-	-	-	-	-	-	-	-	
Performance Bonus		-	-	-	-	-	-	-	-	-	
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-	
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-	
Housing Allowances	3	-	-	-	-	-	-	-	-	-	
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-	
Payments in lieu of leave		-	-	-	-	-	-	-	-	-	
Long service awards		-	-	-	-	-	-	-	-	-	
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-	
Entertainment		-	-	-	-	-	-	-	-	-	
Scarcity		-	-	-	-	-	-	-	-	-	
Acting and post related allowance		-	-	-	-	-	-	-	-	-	
In kind benefits		-	-	-	-	-	-	-	-	-	
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-	-	
% increase	4		-	-	-	-	-	-	-	-	
Total Municipal Entities			-	-	-	-	-	-	-	-	
TOTAL SALARY, ALLOWANCES & BENEFITS			405 001	413 723	527 937	421 255	423 540	423 540	294 158	311 067	298 034
% increase	4			2.2%	27.6%	(20.2%)	0.5%	-	(30.5%)	5.7%	(4.2%)
TOTAL MANAGERS AND STAFF		5,7	405 001	413 723	516 142	409 846	409 846	409 846	280 464	300 229	287 737

References

1. Include 'Loans and advances' where applicable if any reportable amounts until phased compliance with s164 of MFMA achieved
2. s57 of the Systems Act
3. In kind benefits (e.g. provision of living quarters) must be shown as the cost (full market value) to the municipality, as part of the relevant allowance
4. B/A, C/B, D/C, E/C, F/C, G/D, H/D, I/D
5. Must agree to the sub-total appearing on Table A1 (Employee costs)
6. Includes pension payments and employer contributions to medical aid
7. Correct as at 30 June

Column Definitions:

- A, B and C. Audited actual as per the audited financial statements. If audited amounts are unavailable, unaudited amounts must be provided with a note stating these are unaudited
- D. The original budget approved by council for the budget year.
- E. The budget for the budget year as adjusted by council resolution in terms of section 28 of the MFMA.
- F. An estimate of final actual amounts (pre audit) for the current year at the point in time of preparing the budget for the budget year. This may differ from E.
- G. The amount to be appropriated for the budget year.
- H and I. The indicative projection

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4		-	-	-	-	-	-
Chief Whip			-	-	-	-	-	-
Executive Mayor			-	-	-	-	-	-
Deputy Executive Mayor			-	-	-	-	-	-
Executive Committee			-	-	-	-	-	-
Total for all other councillors			-	-	-	-	-	-
Total Councillors	8	-	-	-	-	-	-	-
Senior Managers of the Municipality	5							
Municipal Manager (MM)								-
Chief Finance Officer								-
								-
								-
								-
List of each official with packages >= senior manager								-
								-
								-
								-
								-
								-
								-
								-
Total Senior Managers of the Municipality	8,10	-	-	-	-	-	-	-
A Heading for Each Entity	6,7							
List each member of board by designation								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
Total for municipal entities	8,10	-	-	-	-	-	-	-
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	-	-	-	-	-	-	-

1. Pension and medical aid
2. Total package must equal the total cost to the municipality
3. List each political office bearer by designation. Provide a total for all other councillors
4. Political office bearer is defined in MFMA s 1: speaker, executive mayor, deputy executive mayor, member of executive committee, mayor, deputy mayor, member of mayoral committee, the councillor designated to exercise powers and duties of mayor (MSA s 57)
5. Also list each senior manager reporting to MM by designation and each official with package >= senior manager by designation
6. List each entity where municipality has an interest and state percentage ownership and control
7. List each senior manager reporting to the CEO of an Entity by designation
8. Must reconcile to relevant section of Table SA24
9. Must reconcile to totals shown for the budget year of Table SA22
10. Correct as at 30 June

DC21 Ugu - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2022/23			Current Year 2023/24			Budget Year 2024/25		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		-	-	-	-	-	-	-	-	-
Board Members of municipal entities	4	-	-	-	-	-	-	-	-	-
Municipal employees	5	-	-	-	-	-	-	-	-	-
Municipal Manager and Senior Managers	3	-	-	-	-	-	-	-	-	-
Other Managers	7	-	-	-	-	-	-	-	-	-
Professionals		-	-	-	-	-	-	-	-	-
Finance		-	-	-	-	-	-	-	-	-
Spatial/town planning		-	-	-	-	-	-	-	-	-
Information Technology		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Technicians		-	-	-	-	-	-	-	-	-
Finance		-	-	-	-	-	-	-	-	-
Spatial/town planning		-	-	-	-	-	-	-	-	-
Information Technology		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Clerks (Clerical and administrative)		-	-	-	-	-	-	-	-	-
Service and sales workers		-	-	-	-	-	-	-	-	-
Skilled agricultural and fishery workers		-	-	-	-	-	-	-	-	-
Craft and related trades		-	-	-	-	-	-	-	-	-
Plant and Machine Operators		-	-	-	-	-	-	-	-	-
Elementary Occupations		-	-	-	-	-	-	-	-	-
TOTAL PERSONNEL NUMBERS	9	-	-	-	-	-	-	-	-	-
% increase		-	-	-	-	-	-	-	-	-
Total municipal employees headcount	6, 10	-	-	-	-	-	-	-	-	-
Finance personnel headcount	8, 10	-	-	-	-	-	-	-	-	-
Human Resources personnel headcount	8, 10	-	-	-	-	-	-	-	-	-

References

1. Positions must be funded and aligned to the municipality's current organisational structure
2. Full Time Equivalent (FTE). E.g. One full time person = 1FTE. A person working half time (say 4 hours out of 8) = 0.5FTE.
3. s57 of the Systems Act
4. Include only in Consolidated Statements
5. Include municipal entity employees in Consolidated Statements
6. Include headcount (number of persons, Not FTE) of managers and staff only (exclude councillors)
7. Managers who provide the direction of a critical technical function
8. Total number of employees working on these functions

DC21 Ugu - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand																
Revenue																
Exchange Revenue																
Service charges - Electricity		36 695	36 695	36 695	36 695	36 695	36 695	36 695	36 695	36 695	36 695	36 695	36 695	440 342	419 912	440 043
Service charges - Water		11 879	11 879	11 879	11 879	11 879	11 879	11 879	11 879	11 879	11 879	11 879	11 879	142 544	136 136	142 806
Service charges - Waste Water Management		249	249	249	249	249	249	249	249	249	249	249	249	2 983	3 120	3 260
Service charges - Waste Management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Sale of Goods and Rendering of Services		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Agency services		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Interest		6 412	6 412	6 412	6 412	6 412	6 412	6 412	6 412	6 412	6 412	6 412	6 412	76 939	80 478	84 099
Interest earned from Receivables		1 086	1 086	1 086	1 086	1 086	1 086	1 086	1 086	1 086	1 086	1 086	1 086	13 033	13 633	14 246
Interest earned from Current and Non Current Assets		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Dividends		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Rent on Land		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Rental from Fixed Assets		152	152	152	152	152	152	152	152	152	152	152	152	1 822	1 905	1 991
Licence and permits		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Operational Revenue		207	207	207	207	207	207	207	207	207	207	207	207	2 480	2 594	2 711
Non-Exchange Revenue																
Property rates		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surcharges and Taxes		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Licences or permits		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfer and subsidies - Operational		57 259	57 259	57 259	57 259	57 259	57 259	57 259	57 259	57 259	57 259	57 259	57 259	687 107	766 552	808 903
Interest		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fuel Levy		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Operational Revenue		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Gains on disposal of Assets		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other Gains		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Discontinued Operations		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contri		113 937	113 937	113 937	113 937	113 937	113 937	113 937	113 937	113 937	113 937	113 937	113 937	1 367 249	1 424 329	1 498 069
Expenditure																
Employee related costs		24 496	24 496	24 496	24 496	24 496	24 496	24 496	24 496	24 496	24 496	24 496	24 496	293 957	307 479	321 316
Remuneration of councillors		1 197	1 197	1 197	1 197	1 197	1 197	1 197	1 197	1 197	1 197	1 197	1 197	14 364	15 025	15 701
Bulk purchases - electricity		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Inventory consumed		5 391	5 391	5 391	5 391	5 391	5 391	5 391	5 391	5 391	5 391	5 391	5 391	64 687	67 663	70 708
Debt impairment		2 380	2 380	2 380	2 380	2 380	2 380	2 380	2 380	2 380	2 380	2 380	2 380	28 560	29 874	31 218
Depreciation and amortisation		19 232	19 232	19 232	19 232	19 232	19 232	19 232	19 232	19 232	19 232	19 232	19 232	230 780	218 614	207 485
Interest		404	404	404	404	404	404	404	404	404	404	404	404	4 846	5 069	5 297
Contracted services		10 238	10 238	10 238	10 238	10 238	10 238	10 238	10 238	10 238	10 238	10 238	10 238	122 854	128 505	134 288
Transfers and subsidies		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Irrecoverable debts written off		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Operational costs		8 267	8 267	8 267	8 267	8 267	8 267	8 267	8 267	8 267	8 267	8 267	8 267	99 208	103 772	108 441
Losses on disposal of Assets		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other Losses		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Expenditure		71 605	71 605	71 605	71 605	71 605	71 605	71 605	71 605	71 605	71 605	71 605	71 605	859 257	876 001	894 455
Surplus/(Deficit)		42 333	42 333	42 333	42 333	42 333	42 333	42 333	42 333	42 333	42 333	42 333	42 333	507 991	548 328	603 605
Transfers and subsidies - capital (monetary allocations)		22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	270 733	283 187	295 930
Transfers and subsidies - capital (in-kind)		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions		64 894	64 894	64 894	64 894	64 894	64 894	64 894	64 894	64 894	64 894	64 894	64 894	778 724	831 515	899 535
Income Tax		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after income tax		64 894	64 894	64 894	64 894	64 894	64 894	64 894	64 894	64 894	64 894	64 894	64 894	778 724	831 515	899 535
Share of Surplus/Deficit attributable to Joint Venture		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Share of Surplus/Deficit attributable to Minorities		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) attributable to municipality		64 894	64 894	64 894	64 894	64 894	64 894	64 894	64 894	64 894	64 894	64 894	64 894	778 724	831 515	899 535
Share of Surplus/Deficit attributable to Associate		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Intercompany/Parent subsidiary transactions		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) for the year	1	64 894	64 894	64 894	64 894	64 894	64 894	64 894	64 894	64 894	64 894	64 894	64 894	778 724	831 515	899 535

References

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

DC21 Ugu - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand																
Revenue by Vote																
Vote 1 - Executive and Council				(239)	(239)	(239)	(239)	(239)	(239)	(239)	(239)	(239)	(716)	(2 864)	–	–
Vote 2 - Finance and Administration				56 193	56 193	56 193	56 193	56 193	56 193	56 193	56 193	56 193	168 580	674 319	712 466	752 063
Vote 3 - Internal Audit				–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 4 - Community and Social Services				–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 5 - Sports and recreation				–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 6 - Public safety				–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 7 - [NAME OF VOTE 7]				–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 8 - Health				–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 9 - Planning and Development				902	902	902	902	902	902	902	902	902	2 707	10 827	11 460	12 096
Vote 10 - Road Transport				–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 - Environmental Protection				–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 1210]				–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 - Water Management				46 963	46 963	46 963	46 963	46 963	46 963	46 963	46 963	46 963	140 890	563 561	570 255	597 244
Vote 14 - Waste Water Management				10 329	10 329	10 329	10 329	10 329	10 329	10 329	10 329	10 329	30 988	123 951	130 149	136 656
Vote 15 - Waste Management				–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue by Vote		–	–	114 150	114 150	114 150	114 150	114 150	114 150	114 150	114 150	114 150	342 449	1 369 795	1 424 329	1 498 059
Expenditure by Vote to be appropriated																
Vote 1 - Executive and Council				3 693	3 693	3 693	3 693	3 693	3 693	3 693	3 693	3 693	11 078	44 313	40 872	39 225
Vote 2 - Finance and Administration				34 572	34 572	34 572	34 572	34 572	34 572	34 572	34 572	34 572	103 716	414 864	426 807	406 042
Vote 3 - Internal Audit				56	56	56	56	56	56	56	56	56	168	670	732	695
Vote 4 - Community and Social Services				795	795	795	795	795	795	795	795	795	2 386	9 543	6 466	6 286
Vote 5 - Sports and recreation				–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 6 - Public safety				–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 7 - [NAME OF VOTE 7]				–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 8 - Health				47	47	47	47	47	47	47	47	47	140	560	665	632
Vote 9 - Planning and Development				822	822	822	822	822	822	822	822	822	2 466	9 866	9 598	9 140
Vote 10 - Road Transport				–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 - Environmental Protection				33	33	33	33	33	33	33	33	33	100	400	1 140	1 083
Vote 12 - [NAME OF VOTE 1210]				–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 - Water Management				24 193	24 193	24 193	24 193	24 193	24 193	24 193	24 193	24 193	72 578	290 311	308 904	146 905
Vote 14 - Waste Water Management				7 397	7 397	7 397	7 397	7 397	7 397	7 397	7 397	7 397	22 190	88 761	82 510	78 705
Vote 15 - Waste Management				–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure by Vote		–	–	71 607	71 607	71 607	71 607	71 607	71 607	71 607	71 607	71 607	214 822	859 287	877 694	688 712
Surplus/(Deficit) before assoc.		–	–	42 542	42 542	42 542	42 542	42 542	42 542	42 542	42 542	42 542	127 627	510 508	546 635	809 348
Income Tax				–	–	–	–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities				–	–	–	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions				–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	–	–	42 542	42 542	42 542	42 542	42 542	42 542	42 542	42 542	42 542	127 627	510 508	546 635	809 348

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

DC21 Ugu - Supporting Table SA27 Budgeted monthly rev -238667

Description	Ref	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue - Functional																
Governance and administration		55 955	55 955	55 955	55 955	55 955	55 955	55 955	55 955	55 955	55 955	55 955	55 955	671 455	712 466	752 063
Executive and council		(239)	(239)	(239)	(239)	(239)	(239)	(239)	(239)	(239)	(239)	(239)	(239)	(2 864)	-	-
Finance and administration		56 193	56 193	56 193	56 193	56 193	56 193	56 193	56 193	56 193	56 193	56 193	56 193	674 319	712 466	752 063
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		902	902	902	902	902	902	902	902	902	902	902	902	10 827	11 460	12 096
Planning and development		902	902	902	902	902	902	902	902	902	902	902	902	10 827	11 460	12 096
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services		57 293	57 293	57 293	57 293	57 293	57 293	57 293	57 293	57 293	57 293	57 293	57 293	687 513	700 404	733 901
Energy sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water management		46 963	46 963	46 963	46 963	46 963	46 963	46 963	46 963	46 963	46 963	46 963	46 963	563 561	570 255	597 244
Waste water management		10 329	10 329	10 329	10 329	10 329	10 329	10 329	10 329	10 329	10 329	10 329	10 329	123 951	130 149	136 656
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Functional		114 150	114 150	114 150	114 150	114 150	114 150	114 150	114 150	114 150	114 150	114 150	114 150	1 369 795	1 424 329	1 498 059
Expenditure - Functional																
Governance and administration		38 321	38 321	38 321	38 321	38 321	38 321	38 321	38 321	38 321	38 321	38 321	38 321	459 847	468 411	445 961
Executive and council		3 693	3 693	3 693	3 693	3 693	3 693	3 693	3 693	3 693	3 693	3 693	3 693	44 313	40 872	39 225
Finance and administration		34 572	34 572	34 572	34 572	34 572	34 572	34 572	34 572	34 572	34 572	34 572	34 572	414 864	426 807	406 042
Internal audit		56	56	56	56	56	56	56	56	56	56	56	56	670	732	695
Community and public safety		842	842	842	842	842	842	842	842	842	842	842	842	10 103	7 131	6 917
Community and social services		795	795	795	795	795	795	795	795	795	795	795	795	9 543	6 466	6 286
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		47	47	47	47	47	47	47	47	47	47	47	47	560	665	632
Economic and environmental services		855	855	855	855	855	855	855	855	855	855	855	855	10 266	10 738	10 223
Planning and development		822	822	822	822	822	822	822	822	822	822	822	822	9 866	9 598	9 140
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection		33	33	33	33	33	33	33	33	33	33	33	33	400	1 140	1 083
Trading services		31 589	31 589	31 589	31 589	31 589	31 589	31 589	31 589	31 589	31 589	31 589	31 589	379 072	391 414	434 234
Energy sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water management		24 193	24 193	24 193	24 193	24 193	24 193	24 193	24 193	24 193	24 193	24 193	24 193	290 311	308 904	355 529
Waste water management		7 397	7 397	7 397	7 397	7 397	7 397	7 397	7 397	7 397	7 397	7 397	7 397	88 761	82 510	78 705
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional		71 607	71 607	71 607	71 607	71 607	71 607	71 607	71 607	71 607	71 607	71 607	71 607	859 287	877 694	897 336
Surplus/(Deficit) before assoc.		42 542	42 542	42 542	42 542	42 542	42 542	42 542	42 542	42 542	42 542	42 542	42 542	510 508	546 635	600 724
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	42 542	42 542	42 542	42 542	42 542	42 542	42 542	42 542	42 542	42 542	42 542	42 542	510 508	546 635	600 724

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

DC21 Ugu - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand																
Multi-year expenditure to be appropriated	1															
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Sports and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Road Transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Environmental Protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 1210]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Water Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Waste Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total																
Single-year expenditure to be appropriated	2															
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Administration		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Sports and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Road Transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Environmental Protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 1210]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Water Management		14 914	14 914	14 914	14 914	14 914	14 914	14 914	14 914	14 914	14 914	14 914	14 914	178 966	187 238	195 716
Vote 14 - Waste Water Management		7 647	7 647	7 647	7 647	7 647	7 647	7 647	7 647	7 647	7 647	7 647	7 647	91 767	96 169	100 733
Vote 15 - Waste Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	270 733	283 407	296 449
Total Capital Expenditure	2	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	270 733	283 407	296 449

References
1. Table should be completed as either Multi-Year expenditure appropriation or Budget Year and Forward Year estimates
2. Total Capital Expenditure must reconcile to Budgeted Capital Expenditure

DC21 Ugu - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand																
Capital Expenditure - Functional	1															
Governance and administration		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance and administration		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services		22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	270 733	283 187	295 930
Energy sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water management		14 914	14 914	14 914	14 914	14 914	14 914	14 914	14 914	14 914	14 914	14 914	14 914	178 966	187 198	195 622
Waste water management		7 647	7 647	7 647	7 647	7 647	7 647	7 647	7 647	7 647	7 647	7 647	7 647	91 767	95 989	100 308
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	2	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	270 733	283 187	295 930
Funded by:																
National Government		22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	270 733	283 187	295 930
Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital		22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	270 733	283 187	295 930
Borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Funding		22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	22 561	270 733	283 187	295 930

References
1. Table should be completed as either Multi-Year expenditure appropriation or Budget Year and Forward Year estimates
2. Total Capital Expenditure must reconcile to Budgeted Capital Expenditure check

DC21 Ugu - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Cash Receipts By Source													1		
Property rates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	29 574	29 574	29 574	29 574	29 574	29 574	29 574	29 574	29 574	29 574	29 574	29 574	354 889	465 096	487 863
Service charges - sanitation revenue	9 503	9 503	9 503	9 503	9 503	9 503	9 503	9 503	9 503	9 503	9 503	9 503	114 035	149 671	157 155
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	166	166	166	166	166	166	166	166	166	166	166	166	1 997	2 097	2 202
Interest earned - external investments	1 035	1 035	1 035	1 035	1 035	1 035	1 035	1 035	1 035	1 035	1 035	1 035	12 424	13 046	13 698
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational	61 203	61 203	61 203	61 203	61 203	61 203	61 203	61 203	61 203	61 203	61 203	61 203	734 435	789 136	832 286
Other revenue	(8 782)	(8 782)	(8 782)	(8 782)	(8 782)	(8 782)	(8 782)	(8 782)	(8 782)	(8 782)	(8 782)	(8 782)	(105 382)	(114 040)	(120 514)
Cash Receipts by Source	92 700	92 700	92 700	92 700	92 700	92 700	92 700	92 700	92 700	92 700	92 700	92 700	1 112 399	1 305 005	1 372 689
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	22 943	22 943	22 943	22 943	22 943	22 943	22 943	22 943	22 943	22 943	22 943	22 943	275 321	312 767	315 017
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VAT Control (receipts)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(330)
Total Cash Receipts by Source	115 643	115 643	115 643	115 643	115 643	115 643	115 643	115 643	115 643	115 643	115 643	115 643	1 387 720	1 617 772	1 687 376
Cash Payments by Type															
Employee related costs	23 374	23 374	23 374	23 374	23 374	23 374	23 374	23 374	23 374	23 374	23 374	23 374	280 485	293 047	280 917
Remuneration of councillors	1 141	1 141	1 141	1 141	1 141	1 141	1 141	1 141	1 141	1 141	1 141	1 141	13 693	10 838	10 296
Interest	381	381	381	381	381	381	381	381	381	381	381	381	4 575	3 938	3 741
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisitions - water & other inventory	8 549	8 549	8 549	8 549	8 549	8 549	8 549	8 549	8 549	8 549	8 549	8 549	102 582	104 034	108 652
Contracted services	12 107	12 107	12 107	12 107	12 107	12 107	12 107	12 107	12 107	12 107	12 107	12 107	145 289	144 809	146 765
Transfers and subsidies - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	8 937	8 937	8 937	8 937	8 937	8 937	8 937	8 937	8 937	8 937	8 937	8 937	107 240	124 951	119 744
Cash Payments by Type	54 489	54 489	54 489	54 489	54 489	54 489	54 489	54 489	54 489	54 489	54 489	54 489	653 865	681 618	670 316
Other Cash Flows/Payments by Type															
Capital assets	27 893	27 893	27 893	27 893	27 893	27 893	27 893	27 893	27 893	27 893	27 893	27 893	334 719	338 381	356 567
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	82 382	82 382	82 382	82 382	82 382	82 382	82 382	82 382	82 382	82 382	82 382	82 382	988 585	1 019 999	1 026 883
NET INCREASE/(DECREASE) IN CASH HELD	33 261	33 261	33 261	33 261	33 261	33 261	33 261	33 261	33 261	33 261	33 261	33 261	399 135	597 773	660 493
Cash/cash equivalents at the month/year begin:	13 086	46 348	79 609	112 870	146 132	179 393	212 654	245 915	279 177	312 438	345 699	378 961	13 086	412 222	1 009 994
Cash/cash equivalents at the month/year end:	46 348	79 609	112 870	146 132	179 393	212 654	245 915	279 177	312 438	345 699	378 961	412 222	412 222	1 009 994	1 670 487
References															

1. Note that this section of Table SA 30 is deliberately not linked to Table A4 because timing differences between the invoicing of clients and receiving the cash means that the cashflow will differ from budgeted revenue, and similarly for budgeted expenditure. However for the MTREF it is now directly linked to A7.

DC21 Ugu - NOT REQUIRED - municipality does not have entities

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R million										
Financial Performance										
Property rates										
Service charges										
Investment revenue										
Transfer and subsidies - Operational										
Other own revenue										
allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)										
Total Revenue (excluding capital transfers and contributions)		-	-	-	-	-	-	-	-	-
Employee costs										
Remuneration of Board Members										
Depreciation and amortisation										
Interest										
Inventory consumed and bulk purchases										
Transfers and subsidies										
Other expenditure										
Total Expenditure		-	-	-	-	-	-	-	-	-
Surplus/(Deficit)		-	-	-	-	-	-	-	-	-
Capital expenditure & funds sources										
Capital expenditure										
Transfers recognised - capital										
Borrowing										
Internally generated funds										
Total sources		-	-	-	-	-	-	-	-	-
Financial position										
Total current assets										
Total non current assets										
Total current liabilities										
Total non current liabilities										
Community wealth/Equity										
Cash flows										
Net cash from (used) operating										
Net cash from (used) investing										
Net cash from (used) financing										
Cash/cash equivalents at the year end										

DC21 Ugu - Supporting Table SA32 List of external mechanisms

External mechanism Name of organisation	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
		Number			R thousand

References

1. Total agreement period from commencement until end
2. Annual value

DC21 Ugu - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2023/24	2024/25 Medium Term Revenue & Expenditure Framework			Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Forecast 2032/33	Forecast 2033/34	Total Contract Value
		Total	Original Budget	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
R thousand	1,3													
Parent Municipality:														
Revenue Obligation By Contract	2													
Contract 1														--
Contract 2														--
Contract 3 etc:														--
Total Operating Revenue Implication		--	--	--	--	--	--	--	--	--	--	--	--	--
Expenditure Obligation By Contract	2													
Contract 1														--
Contract 2														--
Contract 3 etc:														--
Total Operating Expenditure Implication		--	--	--	--	--	--	--	--	--	--	--	--	--
Capital Expenditure Obligation By Contract	2													
Contract 1														--
Contract 2														--
Contract 3 etc:														--
Total Capital Expenditure Implication		--	--	--	--	--	--	--	--	--	--	--	--	--
Total Parent Expenditure Implication		--	--	--	--	--	--	--	--	--	--	--	--	--
Entities:														
Revenue Obligation By Contract	2													
Contract 1														--
Contract 2														--
Contract 3 etc:														--
Total Operating Revenue Implication		--	--	--	--	--	--	--	--	--	--	--	--	--
Expenditure Obligation By Contract	2													
Contract 1														--
Contract 2														--
Contract 3 etc:														--
Total Operating Expenditure Implication		--	--	--	--	--	--	--	--	--	--	--	--	--
Capital Expenditure Obligation By Contract	2													
Contract 1														--
Contract 2														--
Contract 3 etc:														--
Total Capital Expenditure Implication		--	--	--	--	--	--	--	--	--	--	--	--	--
Total Entity Expenditure Implication		--	--	--	--	--	--	--	--	--	--	--	--	--

References

1. Total implication for all preceding years to be summed and total stated in 'Preceding Years' column
2. List all contracts with future financial obligations beyond the three years covered by the MTREF (MFMA s33)
3. For municipalities with approved total revenue not exceeding R250 m - all contracts with an annual cost greater than R500 000. For municipalities with approved total revenue greater than R250 m - all contracts with an annual cost greater than R1million. For municipalities with approved total revenue greater than R500 m - all contracts with an annual cost greater than R5 million

DC21 Ugu - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		29 568	198 570	267 360	234 703	249 689	249 689	197 733	207 620	218 001
Roads Infrastructure		--	--	--	--	--	--	--	--	--
Roads		--	--	--	--	--	--	--	--	--
Road Structures		--	--	--	--	--	--	--	--	--
Road Furniture		--	--	--	--	--	--	--	--	--
Capital Spares		--	--	--	--	--	--	--	--	--
Storm water Infrastructure		--	--	--	--	--	--	--	--	--
Drainage Collection		--	--	--	--	--	--	--	--	--
Storm water Conveyance		--	--	--	--	--	--	--	--	--
Attenuation		--	--	--	--	--	--	--	--	--
Electrical Infrastructure		--	--	--	--	--	--	--	--	--
Power Plants		--	--	--	--	--	--	--	--	--
HV Substations		--	--	--	--	--	--	--	--	--
HV Switching Station		--	--	--	--	--	--	--	--	--
HV Transmission Conductors		--	--	--	--	--	--	--	--	--
MV Substations		--	--	--	--	--	--	--	--	--
MV Switching Stations		--	--	--	--	--	--	--	--	--
MV Networks		--	--	--	--	--	--	--	--	--
LV Networks		--	--	--	--	--	--	--	--	--
Capital Spares		--	--	--	--	--	--	--	--	--
Water Supply Infrastructure		(34 799)	26 019	32 279	152 223	151 586	151 586	108 966	114 414	120 135
Dams and Weirs		--	--	--	--	--	--	--	--	--
Boreholes		(116 047)	(121 779)	(121 779)	--	--	--	--	--	--
Reservoirs		1 000	1 000	1 000	--	--	--	--	--	--
Pump Stations		2 250	2 250	2 250	--	--	--	13 900	14 595	15 325
Water Treatment Works		26 340	46 134	62 308	54 117	36 514	36 514	48 966	51 414	53 985
Bulk Mains		40 619	56 194	59 409	--	--	--	--	--	--
Distribution		11 039	42 220	29 091	98 106	115 072	115 072	46 100	48 405	50 825
Distribution Points		--	--	--	--	--	--	--	--	--
PRV Stations		--	--	--	--	--	--	--	--	--
Capital Spares		--	--	--	--	--	--	--	--	--
Sanitation Infrastructure		60 076	168 261	230 791	82 480	98 103	98 103	88 767	93 206	97 866
Pump Station		11 040	11 351	11 351	--	--	--	--	--	--
Reticulation		6 410	15 495	15 495	44 000	58 342	58 342	42 000	44 100	46 305
Waste Water Treatment Works		42 486	141 275	203 805	38 480	39 761	39 761	46 767	49 106	51 561
Outfall Sewers		140	140	140	--	--	--	--	--	--
Toilet Facilities		--	--	--	--	--	--	--	--	--
Capital Spares		--	--	--	--	--	--	--	--	--
Solid Waste Infrastructure		--	--	--	--	--	--	--	--	--
Landfill Sites		--	--	--	--	--	--	--	--	--
Waste Transfer Stations		--	--	--	--	--	--	--	--	--
Waste Processing Facilities		--	--	--	--	--	--	--	--	--
Waste Drop-off Points		--	--	--	--	--	--	--	--	--
Waste Separation Facilities		--	--	--	--	--	--	--	--	--
Electricity Generation Facilities		--	--	--	--	--	--	--	--	--
Capital Spares		--	--	--	--	--	--	--	--	--
Rail Infrastructure		--	--	--	--	--	--	--	--	--
Rail Lines		--	--	--	--	--	--	--	--	--
Rail Structures		--	--	--	--	--	--	--	--	--
Rail Furniture		--	--	--	--	--	--	--	--	--
Drainage Collection		--	--	--	--	--	--	--	--	--
Storm water Conveyance		--	--	--	--	--	--	--	--	--
Attenuation		--	--	--	--	--	--	--	--	--
MV Substations		--	--	--	--	--	--	--	--	--
LV Networks		--	--	--	--	--	--	--	--	--
Capital Spares		--	--	--	--	--	--	--	--	--
Coastal Infrastructure		--	--	--	--	--	--	--	--	--
Sand Pumps		--	--	--	--	--	--	--	--	--
Piers		--	--	--	--	--	--	--	--	--
Revetments		--	--	--	--	--	--	--	--	--
Promenades		--	--	--	--	--	--	--	--	--
Capital Spares		--	--	--	--	--	--	--	--	--
Information and Communication Infrastructure		4 290	4 290	4 290	--	--	--	--	--	--
Data Centres		4 290	4 290	4 290	--	--	--	--	--	--
Core Layers		--	--	--	--	--	--	--	--	--
Distribution Layers		--	--	--	--	--	--	--	--	--
Capital Spares		--	--	--	--	--	--	--	--	--

Community Assets										
Community Facilities										
Halls										
Centres										
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations										
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria										
Police										
Parks										
Public Open Space										
Nature Reserves										
Public Ablution Facilities										
Markets										
Stalls										
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares										
Sport and Recreation Facilities										
Indoor Facilities										
Outdoor Facilities										
Capital Spares										
Heritage assets										
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
Investment properties										
Revenue Generating										
Improved Property										
Unimproved Property										
Non-revenue Generating										
Improved Property										
Unimproved Property										
Other assets	(5 616)	3 698	27 601		6 055	6 055				
Operational Buildings	(5 760)	3 554	27 457		6 055	6 055				
Municipal Offices	(5 760)	3 554	27 457		6 055	6 055				
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares										
Housing	144	144	144							
Staff Housing	144	144	144							
Social Housing										
Capital Spares										
Biological or Cultivated Assets										
Biological or Cultivated Assets										
Intangible Assets	9 838	9 838	9 838							
Servitudes										
Licences and Rights	9 838	9 838	9 838							
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications	9 838	9 838	9 838							
Local Settlement Software Applications										
Unspecified										
Computer Equipment	3 663	4 477	4 709		1 232	1 232				
Computer Equipment	3 663	4 477	4 709		1 232	1 232				
Furniture and Office Equipment	2 053	3 518	4 883		4	4				
Furniture and Office Equipment	2 053	3 518	4 883		4	4				
Machinery and Equipment	153 672	196 536	355 815							
Machinery and Equipment	153 672	196 536	355 815							
Transport Assets	157 822	100 890	115 435		8 667	8 667				
Transport Assets	157 822	100 890	115 435		8 667	8 667				
Land	(36 315)	(36 315)	(36 315)							
Land	(36 315)	(36 315)	(36 315)							
Zoo's, Marine and Non-biological Animals										
Zoo's, Marine and Non-biological Animals										
Living resources										
Mature										
Policing and Protection										
Zoological plants and animals										
Immature										
Policing and Protection										
Zoological plants and animals										
Total Capital Expenditure on new assets	1	314 684	481 212	749 325	234 703	265 647	265 647	197 733	207 620	218 001

References

1. Total Capital Expenditure on new assets (SA34a) plus Total Capital Expenditure on renewal of existing assets (SA34b) plus Total Capital Expenditure on upgrading of existing assets (SA34c) must reconcile to total capital exp

check balance	8 391 846 984	7 805 350 551	8 022 640 546	-	-	-	-116 888 225	13 536 656	15 076 422

DC21 Ugu - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		7 078 195	7 077 354	7 077 354	-	-	-	30 000	31 500	33 075
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		6 991	6 991	6 991	-	-	-	30 000	31 500	33 075
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		(13 868)	(13 868)	(13 868)	-	-	-	30 000	31 500	33 075
PRV Stations		20 859	20 859	20 859	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station		7 071 204	7 070 363	7 070 363	-	-	-	-	-	-
Reticulation		5 812 830	5 812 830	5 812 830	-	-	-	-	-	-
Waste Water Treatment Works		(63 927)	(63 927)	(63 927)	-	-	-	-	-	-
Outfall Sewers		1 322 302	1 321 461	1 321 461	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Halls		-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-

Cemeteries/Crematoria	-	-	-	-	-	-	-	-	-	
Police	-	-	-	-	-	-	-	-	-	
Parks	-	-	-	-	-	-	-	-	-	
Public Open Space	-	-	-	-	-	-	-	-	-	
Nature Reserves	-	-	-	-	-	-	-	-	-	
Public Ablution Facilities	-	-	-	-	-	-	-	-	-	
Markets	-	-	-	-	-	-	-	-	-	
Stalls	-	-	-	-	-	-	-	-	-	
Abattoirs	-	-	-	-	-	-	-	-	-	
Airports	-	-	-	-	-	-	-	-	-	
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-	
Indoor Facilities	-	-	-	-	-	-	-	-	-	
Outdoor Facilities	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
Heritage assets	-	-	-	-	-	-	-	-	-	
Monuments	-	-	-	-	-	-	-	-	-	
Historic Buildings	-	-	-	-	-	-	-	-	-	
Works of Art	-	-	-	-	-	-	-	-	-	
Conservation Areas	-	-	-	-	-	-	-	-	-	
Other Heritage	-	-	-	-	-	-	-	-	-	
Investment properties	-	-	-	-	-	-	-	-	-	
Revenue Generating	-	-	-	-	-	-	-	-	-	
Improved Property	-	-	-	-	-	-	-	-	-	
Unimproved Property	-	-	-	-	-	-	-	-	-	
Non-revenue Generating	-	-	-	-	-	-	-	-	-	
Improved Property	-	-	-	-	-	-	-	-	-	
Unimproved Property	-	-	-	-	-	-	-	-	-	
Other assets	-	-	-	-	-	-	-	-	-	
Operational Buildings	-	-	-	-	-	-	-	-	-	
Municipal Offices	6 355	6 355	6 355	-	-	-	-	-	-	
Pay/Enquiry Points	6 355	6 355	6 355	-	-	-	-	-	-	
Building Plan Offices	6 355	6 355	6 355	-	-	-	-	-	-	
Workshops	-	-	-	-	-	-	-	-	-	
Yards	-	-	-	-	-	-	-	-	-	
Stores	-	-	-	-	-	-	-	-	-	
Laboratories	-	-	-	-	-	-	-	-	-	
Training Centres	-	-	-	-	-	-	-	-	-	
Manufacturing Plant	-	-	-	-	-	-	-	-	-	
Depots	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
Housing	-	-	-	-	-	-	-	-	-	
Staff Housing	-	-	-	-	-	-	-	-	-	
Social Housing	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	
Intangible Assets	-	-	-	-	-	-	-	-	-	
Servitudes	-	-	-	-	-	-	-	-	-	
Licences and Rights	-	-	-	-	-	-	-	-	-	
Water Rights	10 959	10 959	17 544	-	-	-	-	-	-	
Effluent Licenses	2 659	2 659	2 659	-	-	-	-	-	-	
Solid Waste Licenses	8 300	8 300	14 884	-	-	-	-	-	-	
Computer Software and Applications	-	-	-	-	-	-	-	-	-	
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-	
Unspecified	8 300	8 300	14 884	-	-	-	-	-	-	
Computer Equipment	-	-	-	-	-	-	-	-	-	
Computer Equipment	-	-	-	-	-	-	-	-	-	
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-	
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-	
Machinery and Equipment	-	-	-	-	-	-	-	-	-	
Machinery and Equipment	81 225	81 225	81 225	-	-	-	-	-	-	
Transport Assets	81 225	81 225	81 225	-	-	-	-	-	-	
Transport Assets	17 519	17 519	17 519	-	-	-	-	-	-	
Land	17 519	17 519	17 519	-	-	-	-	-	-	
Land	5 549	5 549	5 549	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals	5 549	5 549	5 549	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	
Living resources	-	-	-	-	-	-	-	-	-	
Mature	-	-	-	-	-	-	-	-	-	
Policing and Protection	-	-	-	-	-	-	-	-	-	
Zoological plants and animals	-	-	-	-	-	-	-	-	-	
Immature	-	-	-	-	-	-	-	-	-	
Policing and Protection	-	-	-	-	-	-	-	-	-	
Zoological plants and animals	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	
Total Capital Expenditure on renewal of existing asset	1	7 199 802	7 198 961	7 205 546	-	-	-	30 000	31 500	33 075
Renewal of Existing Assets as % of total capex		92.2%	89.7%	85.6%	0.0%	0.0%	0.0%	11.1%	11.1%	11.1%
Renewal of Existing Assets as % of deprecn"		3198.8%	3233.5%	3280.5%	0.0%	0.0%	0.0%	13.6%	15.1%	16.7%

DC21 Ugu - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description		Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Repairs and maintenance expenditure by Asset Class/Sub-class											
Infrastructure			58 501	89 733	75 470	36 190	18 442	18 442	18 442	21 287	20 328
Roads Infrastructure			1 038	2 781	14 180	8 360	5 750	5 750	5 750	7 942	7 545
Roads			1 038	1 882	14 180	7 510	4 750	4 750	4 750	7 134	6 777
Road Structures			-	900	-	850	1 000	1 000	1 000	808	767
Road Furniture			-	-	-	-	-	-	-	-	-
Capital Spares			-	-	-	-	-	-	-	-	-
Storm water Infrastructure			-	-	-	-	-	-	-	-	-
Drainage Collection			-	-	-	-	-	-	-	-	-
Storm water Conveyance			-	-	-	-	-	-	-	-	-
Attenuation			-	-	-	-	-	-	-	-	-
Electrical Infrastructure			195	502	1 001	6 050	3 900	3 900	3 900	4 655	4 422
Power Plants			-	-	-	400	-	-	-	-	-
HV Substations			-	-	-	-	-	-	-	-	-
HV Switching Station			-	-	-	-	-	-	-	-	-
HV Transmission Conductors			-	-	-	-	-	-	-	-	-
MV Substations			-	-	-	-	-	-	-	-	-
MV Switching Stations			-	-	-	-	-	-	-	-	-
MV Networks			-	-	-	-	-	-	-	-	-
LV Networks			195	502	1 001	5 650	3 900	3 900	3 900	4 655	4 422
Capital Spares			-	-	-	-	-	-	-	-	-
Water Supply Infrastructure			24 984	83 645	57 527	19 481	6 092	6 092	6 092	6 505	6 285
Dams and Weirs			-	-	-	-	-	-	-	-	-
Boreholes			641	78	-	-	-	-	-	-	-
Reservoirs			895	564	2 661	1 332	832	832	832	791	751
Pump Stations			1 548	532	1 614	925	200	200	200	428	406
Water Treatment Works			11 942	65 882	42 732	2 625	-	-	-	-	-
Bulk Mains			-	-	-	-	-	-	-	-	-
Distribution			4 999	10 835	9 624	6 098	4 060	4 060	4 060	4 237	4 025
Distribution Points			-	-	-	-	-	-	-	-	-
PRV Stations			4 959	5 755	896	8 500	1 000	1 000	1 000	1 050	1 103
Capital Spares			-	-	-	-	-	-	-	-	-
Sanitation Infrastructure			32 284	2 283	2 564	2 300	2 700	2 700	2 700	2 185	2 076
Pump Station			-	78	-	2 300	2 700	2 700	2 700	2 185	2 076
Reticaluation			-	-	-	-	-	-	-	-	-
Waste Water Treatment Works			-	-	-	-	-	-	-	-	-
Outfall Sewers			-	-	-	-	-	-	-	-	-
Toilet Facilities			32 284	2 205	2 564	-	-	-	-	-	-
Capital Spares			-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure			-	-	-	-	-	-	-	-	-
Landfill Sites			-	-	-	-	-	-	-	-	-
Waste Transfer Stations			-	-	-	-	-	-	-	-	-
Waste Processing Facilities			-	-	-	-	-	-	-	-	-
Waste Drop-off Points			-	-	-	-	-	-	-	-	-
Waste Separation Facilities			-	-	-	-	-	-	-	-	-
Electricity Generation Facilities			-	-	-	-	-	-	-	-	-
Capital Spares			-	-	-	-	-	-	-	-	-
Rail Infrastructure			-	-	-	-	-	-	-	-	-
Rail Lines			-	-	-	-	-	-	-	-	-
Rail Structures			-	-	-	-	-	-	-	-	-
Rail Furniture			-	-	-	-	-	-	-	-	-
Drainage Collection			-	-	-	-	-	-	-	-	-
Storm water Conveyance			-	-	-	-	-	-	-	-	-
Attenuation			-	-	-	-	-	-	-	-	-
MV Substations			-	-	-	-	-	-	-	-	-
LV Networks			-	-	-	-	-	-	-	-	-
Capital Spares			-	-	-	-	-	-	-	-	-
Coastal Infrastructure			-	400	-	-	-	-	-	-	-
Sand Pumps			-	-	-	-	-	-	-	-	-
Piers			-	-	-	-	-	-	-	-	-
Revetments			-	-	-	-	-	-	-	-	-
Promenades			-	-	-	-	-	-	-	-	-
Capital Spares			-	400	-	-	-	-	-	-	-
Information and Communication Infrastructure			-	121	199	-	-	-	-	-	-
Data Centres			-	-	-	-	-	-	-	-	-
Core Layers			-	121	199	-	-	-	-	-	-
Distribution Layers			-	-	-	-	-	-	-	-	-
Capital Spares			-	-	-	-	-	-	-	-	-

Community Assets	--	--	--	--	--	--	--	--	--
Community Facilities	--	--	--	--	--	--	--	--	--
Halls	--	--	--	--	--	--	--	--	--
Centres	--	--	--	--	--	--	--	--	--
Crèches	--	--	--	--	--	--	--	--	--
Clinics/Care Centres	--	--	--	--	--	--	--	--	--
Fire/Ambulance Stations	--	--	--	--	--	--	--	--	--
Testing Stations	--	--	--	--	--	--	--	--	--
Museums	--	--	--	--	--	--	--	--	--
Galleries	--	--	--	--	--	--	--	--	--
Theatres	--	--	--	--	--	--	--	--	--
Libraries	--	--	--	--	--	--	--	--	--
Cemeteries/Crematoria	--	--	--	--	--	--	--	--	--
Police	--	--	--	--	--	--	--	--	--
Parks	--	--	--	--	--	--	--	--	--
Public Open Space	--	--	--	--	--	--	--	--	--
Nature Reserves	--	--	--	--	--	--	--	--	--
Public Ablution Facilities	--	--	--	--	--	--	--	--	--
Markets	--	--	--	--	--	--	--	--	--
Stalls	--	--	--	--	--	--	--	--	--
Abattoirs	--	--	--	--	--	--	--	--	--
Airports	--	--	--	--	--	--	--	--	--
Taxi Ranks/Bus Terminals	--	--	--	--	--	--	--	--	--
Capital Spares	--	--	--	--	--	--	--	--	--
Sport and Recreation Facilities	--	--	--	--	--	--	--	--	--
Indoor Facilities	--	--	--	--	--	--	--	--	--
Outdoor Facilities	--	--	--	--	--	--	--	--	--
Capital Spares	--	--	--	--	--	--	--	--	--
Heritage assets	--	--	--	--	--	--	--	--	--
Monuments	--	--	--	--	--	--	--	--	--
Historic Buildings	--	--	--	--	--	--	--	--	--
Works of Art	--	--	--	--	--	--	--	--	--
Conservation Areas	--	--	--	--	--	--	--	--	--
Other Heritage	--	--	--	--	--	--	--	--	--
Investment properties	166	951	--	--	--	--	--	--	--
Revenue Generating	166	951	--	--	--	--	--	--	--
Improved Property	166	951	--	--	--	--	--	--	--
Unimproved Property	--	--	--	--	--	--	--	--	--
Non-revenue Generating	--	--	--	--	--	--	--	--	--
Improved Property	--	--	--	--	--	--	--	--	--
Unimproved Property	--	--	--	--	--	--	--	--	--
Other assets	2 017	5 179	975	2 500	2 000	2 000	2 000	2 375	2 256
Operational Buildings	2 017	5 179	975	2 500	2 000	2 000	2 000	2 375	2 256
Municipal Offices	2 017	5 179	975	2 500	2 000	2 000	2 000	2 375	2 256
Pay/Enquiry Points	--	--	--	--	--	--	--	--	--
Building Plan Offices	--	--	--	--	--	--	--	--	--
Workshops	--	--	--	--	--	--	--	--	--
Yards	--	--	--	--	--	--	--	--	--
Stores	--	--	--	--	--	--	--	--	--
Laboratories	--	--	--	--	--	--	--	--	--
Training Centres	--	--	--	--	--	--	--	--	--
Manufacturing Plant	--	--	--	--	--	--	--	--	--
Depots	--	--	--	--	--	--	--	--	--
Capital Spares	--	--	--	--	--	--	--	--	--
Housing	--	--	--	--	--	--	--	--	--
Staff Housing	--	--	--	--	--	--	--	--	--
Social Housing	--	--	--	--	--	--	--	--	--
Capital Spares	--	--	--	--	--	--	--	--	--
Biological or Cultivated Assets	--	--	--	--	--	--	--	--	--
Biological or Cultivated Assets	--	--	--	--	--	--	--	--	--
Intangible Assets	(0)	850	727	758	758	758	758	720	684
Servitudes	--	--	--	--	--	--	--	--	--
Licences and Rights	(0)	850	727	758	758	758	758	720	684
Water Rights	--	--	--	--	--	--	--	--	--
Effluent Licenses	--	--	--	--	--	--	--	--	--
Solid Waste Licenses	--	--	--	--	--	--	--	--	--
Computer Software and Applications	(0)	850	727	758	758	758	758	720	684
Load Settlement Software Applications	--	--	--	--	--	--	--	--	--
Unspecified	--	--	--	--	--	--	--	--	--
Computer Equipment	--	--	--	20	20	20	20	19	18
Computer Equipment	--	--	--	20	20	20	20	19	18
Furniture and Office Equipment	--	--	--	--	--	--	--	--	--
Furniture and Office Equipment	--	--	--	--	--	--	--	--	--
Machinery and Equipment	575	854	531	2 182	1 200	1 200	1 200	2 043	1 940
Machinery and Equipment	575	854	531	2 182	1 200	1 200	1 200	2 043	1 940
Transport Assets	12 093	12 831	19 608	--	--	--	--	--	--
Transport Assets	12 093	12 831	19 608	--	--	--	--	--	--
Land	--	--	--	--	--	--	--	--	--
Land	--	--	--	--	--	--	--	--	--
Zoo's, Marine and Non-biological Animals	--	--	--	--	--	--	--	--	--
Zoo's, Marine and Non-biological Animals	--	--	--	--	--	--	--	--	--

Living resources		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1	73 351	110 399	97 311	41 650	22 420	22 420	22 420	26 444	25 226
R&M as a % of PPE & Investment Property		2.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M as % Operating Expenditure		5.8%	8.5%	6.7%	3.8%	2.7%	2.7%	2.2%	3.1%	2.9%

References

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

DC21 Ugu - Supporting Table SA34d Depreciation by asset class

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand	1									
Depreciation by Asset Class/Sub-class										
Infrastructure		207 030	203 810	207 371	85 615	85 615	85 615	85 615	81 334	77 267
Roads Infrastructure		--	--	--	--	--	--	--	--	--
Roads		--	--	--	--	--	--	--	--	--
Road Structures		--	--	--	--	--	--	--	--	--
Road Furniture		--	--	--	--	--	--	--	--	--
Capital Spares		--	--	--	--	--	--	--	--	--
Storm water Infrastructure		--	--	--	--	--	--	--	--	--
Drainage Collection		--	--	--	--	--	--	--	--	--
Storm water Conveyance		--	--	--	--	--	--	--	--	--
Attenuation		--	--	--	--	--	--	--	--	--
Electrical Infrastructure		--	--	--	--	--	--	--	--	--
Power Plants		--	--	--	--	--	--	--	--	--
HV Substations		--	--	--	--	--	--	--	--	--
HV Switching Station		--	--	--	--	--	--	--	--	--
HV Transmission Conductors		--	--	--	--	--	--	--	--	--
MV Substations		--	--	--	--	--	--	--	--	--
MV Switching Stations		--	--	--	--	--	--	--	--	--
MV Networks		--	--	--	--	--	--	--	--	--
LV Networks		--	--	--	--	--	--	--	--	--
Capital Spares		--	--	--	--	--	--	--	--	--
Water Supply Infrastructure		207 030	203 810	207 371	54 290	54 290	54 290	54 290	51 575	48 996
Dams and Weirs		--	--	--	3 000	3 000	3 000	3 000	2 850	2 708
Boreholes		--	--	--	600	600	600	600	570	542
Reservoirs		--	--	--	9 000	9 000	9 000	9 000	8 550	8 123
Pump Stations		--	--	--	12 000	12 000	12 000	12 000	11 400	10 830
Water Treatment Works		--	--	--	16 000	16 000	16 000	16 000	15 200	14 440
Bulk Mains		--	--	--	4 690	4 690	4 690	4 690	4 455	4 232
Distribution		207 030	203 810	207 371	--	--	--	--	--	--
Distribution Points		--	--	--	--	--	--	--	--	--
PRV Stations		--	--	--	9 000	9 000	9 000	9 000	8 550	8 123
Capital Spares		--	--	--	--	--	--	--	--	--
Sanitation Infrastructure		--	--	--	31 325	31 325	31 325	31 325	29 759	28 271
Pump Station		--	--	--	14 000	14 000	14 000	14 000	13 300	12 635
Reticulation		--	--	--	5 325	5 325	5 325	5 325	5 059	4 806
Waste Water Treatment Works		--	--	--	12 000	12 000	12 000	12 000	11 400	10 830
Outfall Sewers		--	--	--	--	--	--	--	--	--
Toilet Facilities		--	--	--	--	--	--	--	--	--
Capital Spares		--	--	--	--	--	--	--	--	--
Solid Waste Infrastructure		--	--	--	--	--	--	--	--	--
Landfill Sites		--	--	--	--	--	--	--	--	--
Waste Transfer Stations		--	--	--	--	--	--	--	--	--
Waste Processing Facilities		--	--	--	--	--	--	--	--	--
Waste Drop-off Points		--	--	--	--	--	--	--	--	--
Waste Separation Facilities		--	--	--	--	--	--	--	--	--
Electricity Generation Facilities		--	--	--	--	--	--	--	--	--
Capital Spares		--	--	--	--	--	--	--	--	--
Rail Infrastructure		--	--	--	--	--	--	--	--	--
Rail Lines		--	--	--	--	--	--	--	--	--
Rail Structures		--	--	--	--	--	--	--	--	--
Rail Furniture		--	--	--	--	--	--	--	--	--
Drainage Collection		--	--	--	--	--	--	--	--	--
Storm water Conveyance		--	--	--	--	--	--	--	--	--
Attenuation		--	--	--	--	--	--	--	--	--
MV Substations		--	--	--	--	--	--	--	--	--
LV Networks		--	--	--	--	--	--	--	--	--
Capital Spares		--	--	--	--	--	--	--	--	--
Coastal Infrastructure		--	--	--	--	--	--	--	--	--
Sand Pumps		--	--	--	--	--	--	--	--	--
Piers		--	--	--	--	--	--	--	--	--
Revetments		--	--	--	--	--	--	--	--	--
Promenades		--	--	--	--	--	--	--	--	--
Capital Spares		--	--	--	--	--	--	--	--	--
Information and Communication Infrastructure		--	--	--	--	--	--	--	--	--
Data Centres		--	--	--	--	--	--	--	--	--
Core Layers		--	--	--	--	--	--	--	--	--
Distribution Layers		--	--	--	--	--	--	--	--	--
Capital Spares		--	--	--	--	--	--	--	--	--
Community Assets		--	--	--	--	--	--	--	--	--
Community Facilities		--	--	--	--	--	--	--	--	--
Halls		--	--	--	--	--	--	--	--	--
Centres		--	--	--	--	--	--	--	--	--
Crèches		--	--	--	--	--	--	--	--	--
Clinics/Care Centres		--	--	--	--	--	--	--	--	--
Fire/Ambulance Stations		--	--	--	--	--	--	--	--	--
Testing Stations		--	--	--	--	--	--	--	--	--
Museums		--	--	--	--	--	--	--	--	--
Galleries		--	--	--	--	--	--	--	--	--
Theatres		--	--	--	--	--	--	--	--	--
Libraries		--	--	--	--	--	--	--	--	--
Cemeteries/Crematoria		--	--	--	--	--	--	--	--	--

Police	-	-	-	-	-	-	-	-	-	-
Parks	-	-	-	-	-	-	-	-	-	-
Public Open Space	-	-	-	-	-	-	-	-	-	-
Nature Reserves	-	-	-	-	-	-	-	-	-	-
Public Ablution Facilities	-	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-	-
Stalls	-	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-	-
Indoor Facilities	-	-	-	-	-	-	-	-	-	-
Outdoor Facilities	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-	-	-
Investment properties	-	696	-	-	-	-	-	-	-	-
Revenue Generating	-	696	-	-	-	-	-	-	-	-
Improved Property	-	696	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-	-
Other assets	15 523	16 855	9 814	75 400	75 400	75 400	75 400	71 630	68 049	
Operational Buildings	15 523	16 855	9 814	75 400	75 400	75 400	75 400	71 630	68 049	
Municipal Offices	15 523	16 855	9 814	75 400	75 400	75 400	75 400	71 630	68 049	
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-	
Building Plan Offices	-	-	-	-	-	-	-	-	-	
Workshops	-	-	-	-	-	-	-	-	-	
Yards	-	-	-	-	-	-	-	-	-	
Stores	-	-	-	-	-	-	-	-	-	
Laboratories	-	-	-	-	-	-	-	-	-	
Training Centres	-	-	-	-	-	-	-	-	-	
Manufacturing Plant	-	-	-	-	-	-	-	-	-	
Depots	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
Housing	-	-	-	-	-	-	-	-	-	
Staff Housing	-	-	-	-	-	-	-	-	-	
Social Housing	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	
Intangible Assets	2 529	1 279	2 461	100	100	100	100	95	90	
Servitudes	-	-	-	-	-	-	-	-	-	
Licences and Rights	2 529	1 279	2 461	100	100	100	100	95	90	
Water Rights	-	-	-	-	-	-	-	-	-	
Effluent Licenses	-	-	-	-	-	-	-	-	-	
Solid Waste Licenses	-	-	-	-	-	-	-	-	-	
Computer Software and Applications	2 529	1 279	2 461	100	100	100	100	95	90	
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-	
Unspecified	-	-	-	-	-	-	-	-	-	
Computer Equipment	-	-	-	4 000	4 000	4 000	4 000	3 800	3 610	
Computer Equipment	-	-	-	4 000	4 000	4 000	4 000	3 800	3 610	
Furniture and Office Equipment	-	-	-	50 805	50 805	50 805	50 805	48 265	45 852	
Furniture and Office Equipment	-	-	-	50 805	50 805	50 805	50 805	48 265	45 852	
Machinery and Equipment	-	-	-	80	80	80	80	76	72	
Machinery and Equipment	-	-	-	80	80	80	80	76	72	
Transport Assets	-	-	-	4 000	4 000	4 000	4 000	3 800	3 610	
Transport Assets	-	-	-	4 000	4 000	4 000	4 000	3 800	3 610	
Land	-	-	-	-	-	-	-	-	-	
Land	-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	
Living resources	-	-	-	-	-	-	-	-	-	
Mature	-	-	-	-	-	-	-	-	-	
Policing and Protection	-	-	-	-	-	-	-	-	-	
Zoological plants and animals	-	-	-	-	-	-	-	-	-	
Immature	-	-	-	-	-	-	-	-	-	
Policing and Protection	-	-	-	-	-	-	-	-	-	
Zoological plants and animals	-	-	-	-	-	-	-	-	-	
Total Depreciation	1	225 081	222 639	219 646	220 000	220 000	220 000	209 000	198 550	

References

1. Depreciation based on write down values. Not including Depreciation resulting from revaluation.

Check	(4 511)	(4 339)	(6 835)	-	-	-	(10 780)	(9 614)	(8 935)

DC21 Ugu - Supporting Table SA34e Capital expenditure on the upgrading of existing assets by asset class

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand	1									
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		160 251	211 854	337 516	220 289	121 974	121 974	43 000	45 150	47 408
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	5 528	7 527	-	-	-	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	5 528	7 527	-	-	-	-	-	-
Water Supply Infrastructure		160 251	206 326	321 384	191 288	110 433	110 433	43 000	45 150	47 408
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	11 713	22 900	26 943	26 943	20 000	21 000	22 050
Reservoirs	10 399	10 399	10 399	-	-	-	-	-	-	-
Pump Stations	-	-	-	-	-	-	-	-	-	-
Water Treatment Works	-	-	-	-	-	-	-	-	-	-
Bulk Mains	170 748	186 625	189 010	13 618	9 717	9 717	3 000	3 150	3 308	
Distribution	(33 070)	(13 734)	87 226	154 770	73 774	73 774	20 000	21 000	22 050	
Distribution Points	-	10 862	10 862	-	-	-	-	-	-	-
PRV Stations	12 174	12 174	12 174	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	8 605	29 002	11 541	11 541	-	-	-
Pump Station	-	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-	-
Waste Water Treatment Works	-	-	8 605	29 002	11 541	11 541	-	-	-	-
Outfall Sewers	-	-	-	-	-	-	-	-	-	-
Toilet Facilities	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites	-	-	-	-	-	-	-	-	-	-
Waste Transfer Stations	-	-	-	-	-	-	-	-	-	-
Waste Processing Facilities	-	-	-	-	-	-	-	-	-	-
Waste Drop-off Points	-	-	-	-	-	-	-	-	-	-
Waste Separation Facilities	-	-	-	-	-	-	-	-	-	-
Electricity Generation Facilities	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines	-	-	-	-	-	-	-	-	-	-
Rail Structures	-	-	-	-	-	-	-	-	-	-
Rail Furniture	-	-	-	-	-	-	-	-	-	-
Drainage Collection	-	-	-	-	-	-	-	-	-	-
Storm water Conveyance	-	-	-	-	-	-	-	-	-	-
Attenuation	-	-	-	-	-	-	-	-	-	-
MV Substations	-	-	-	-	-	-	-	-	-	-
LV Networks	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps	-	-	-	-	-	-	-	-	-	-
Piers	-	-	-	-	-	-	-	-	-	-
Revetments	-	-	-	-	-	-	-	-	-	-
Promenades	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres	-	-	-	-	-	-	-	-	-	-
Core Layers	-	-	-	-	-	-	-	-	-	-
Distribution Layers	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Halls	-	-	-	-	-	-	-	-	-	-
Centres	-	-	-	-	-	-	-	-	-	-
Crèches	-	-	-	-	-	-	-	-	-	-
Clinics/Care Centres	-	-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations	-	-	-	-	-	-	-	-	-	-
Testing Stations	-	-	-	-	-	-	-	-	-	-
Museums	-	-	-	-	-	-	-	-	-	-
Galleries	-	-	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria	-	-	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-	-
Parks	-	-	-	-	-	-	-	-	-	-
Public Open Space	-	-	-	-	-	-	-	-	-	-
Nature Reserves	-	-	-	-	-	-	-	-	-	-
Public Ablution Facilities	-	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-	-
Stalls	-	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Indoor Facilities	-	-	-	-	-	-	-	-	-	-
Outdoor Facilities	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-

Heritage assets	-	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
Other assets	(0)	(0)	(0)	-	-	-	-	-	-
Operational Buildings	(0)	(0)	(0)	-	-	-	-	-	-
Municipal Offices	(0)	(0)	(0)	-	-	-	-	-	-
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Staff Housing	-	-	-	-	-	-	-	-	-
Social Housing	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	-	-	-	-	-	-	-	-
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
Computer Equipment	84 228	84 228	84 228	-	-	-	-	-	-
Computer Equipment	84 228	84 228	84 228	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	45 446	45 446	39 543	-	-	-	-	-	-
Machinery and Equipment	45 446	45 446	39 543	-	-	-	-	-	-
Transport Assets	940	940	940	-	-	-	-	-	-
Transport Assets	940	940	940	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Living resources	-	-	-	-	-	-	-	-	-
Mature	-	-	-	-	-	-	-	-	-
Poling and Protection	-	-	-	-	-	-	-	-	-
Zoological plants and animals	-	-	-	-	-	-	-	-	-
Immature	-	-	-	-	-	-	-	-	-
Poling and Protection	-	-	-	-	-	-	-	-	-
Zoological plants and animals	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on upgrading of existing assets	1	290 865	342 468	462 226	220 289	121 974	121 974	43 000	45 150
Upgrading of Existing Assets as % of total capex		3.7%	4.3%	5.5%	48.4%	31.5%	31.5%	15.9%	15.9%
Upgrading of Existing Assets as % of disprocn"		129.2%	153.8%	210.4%	100.1%	55.4%	55.4%	19.5%	21.6%
References									

1. Total Capital Expenditure on upgrading of existing assets (SA34e) plus Total Capital Expenditure on new assets (SA34a) plus Total Capital Expenditure on renewal of existing assets (SA34b) must reconcile to total capital exp

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

Vote Description	Ref	2024/25 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Present value
R thousand								
Capital expenditure	1							
Vote 1 - Executive and Council		-	-	-				
Vote 2 - Finance and Administration		-	-	-				
Vote 3 - Internal Audit		-	-	-				
Vote 4 - Community and Social Services		-	-	-				
Vote 5 - Sports and recreation		-	-	-				
Vote 6 - Public safety		-	-	-				
Vote 7 - [NAME OF VOTE 7]		-	-	-				
Vote 8 - Health		-	-	-				
Vote 9 - Planning and Development		-	-	-				
Vote 10 - Road Transport		-	-	-				
Vote 11 - Environmental Protection		-	-	-				
Vote 12 - [NAME OF VOTE 1210]		-	-	-				
Vote 13 - Water Management		178 966	187 238	195 716				
Vote 14 - Waste Water Management		91 767	96 169	100 733				
Vote 15 - Waste Management		-	-	-				
List entity summary if applicable								
Total Capital Expenditure		270 733	283 407	296 449	-	-	-	-
Future operational costs by vote	2							
Vote 1 - Executive and Council								
Vote 2 - Finance and Administration								
Vote 3 - Internal Audit								
Vote 4 - Community and Social Services								
Vote 5 - Sports and recreation								
Vote 6 - Public safety								
Vote 7 - [NAME OF VOTE 7]								
Vote 8 - Health								
Vote 9 - Planning and Development								
Vote 10 - Road Transport								
Vote 11 - Environmental Protection								
Vote 12 - [NAME OF VOTE 1210]								
Vote 13 - Water Management								
Vote 14 - Waste Water Management								
Vote 15 - Waste Management								
List entity summary if applicable								
Total future operational costs		-	-	-	-	-	-	-
Future revenue by source	3							
Exchange Revenue								
Service charges - Electricity								
Service charges - Water								
Service charges - Waste Water Management								
Service charges - Waste Management								
Agency services								
List other revenues sources if applicable								
List entity summary if applicable								
Total future revenue		-	-	-	-	-	-	-
Net Financial Implications		270 733	283 407	296 449	-	-	-	-

References

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

2023-2024 - Summary of 2023-2024 Project Performance														
Project Name	Project Manager	Start Date	End Date	Status	Budget	Actual Cost	Variance	Progress (%)	Quality Score	Customer Satisfaction	Team Size	Resources	Risks	Notes
Project A	John Doe	2023-01-01	2023-03-31	Completed	\$1,000,000	\$950,000	\$50,000	100%	95%	90%	10	10 FTE	Low	Successful launch of new product line.
Project B	Jane Smith	2023-02-01	2023-04-30	In Progress	\$800,000	\$780,000	\$20,000	85%	92%	88%	8	8 FTE	Medium	Minor delays in testing phase.
Project C	Mike Johnson	2023-03-01	2023-05-31	On Hold	\$600,000	\$600,000	\$0	20%	80%	75%	5	5 FTE	High	Strategic shift in company direction.
Project D	Sarah Lee	2023-04-01	2023-06-30	Planned	\$400,000	\$0	\$400,000	0%	70%	70%	3	3 FTE	Low	Initial planning and resource allocation.
Project E	David Brown	2023-05-01	2023-07-31	Completed	\$200,000	\$210,000	-\$10,000	100%	98%	95%	2	2 FTE	Low	Minor budget overrun due to additional features.
Project F	Emily White	2023-06-01	2023-08-31	In Progress	\$1,200,000	\$1,150,000	\$50,000	70%	90%	85%	12	12 FTE	Medium	Complex integration with existing systems.
Project G	Chris Green	2023-07-01	2023-09-30	On Hold	\$900,000	\$900,000	\$0	10%	75%	70%	6	6 FTE	High	Re-evaluating market demand.
Project H	Alex Black	2023-08-01	2023-10-31	Planned	\$700,000	\$0	\$700,000	0%	60%	60%	4	4 FTE	Low	Initial discovery and requirements gathering.
Project I	Mia Grey	2023-09-01	2023-11-30	Completed	\$500,000	\$480,000	\$20,000	100%	96%	92%	7	7 FTE	Medium	Successful completion of major milestone.
Project J	Noah Blue	2023-10-01	2023-12-31	In Progress	\$300,000	\$290,000	\$10,000	60%	88%	80%	3	3 FTE	Low	Steady progress in development phase.
Project K	Olivia Red	2023-11-01	2024-01-31	On Hold	\$1,500,000	\$1,500,000	\$0	0%	65%	60%	15	15 FTE	High	Strategic review and re-planning.
Project L	Liam Purple	2023-12-01	2024-02-28	Planned	\$250,000	\$0	\$250,000	0%	50%	50%	2	2 FTE	Low	Initial project setup and team formation.
Project M	Ava Yellow	2024-01-01	2024-03-31	Completed	\$1,800,000	\$1,750,000	\$50,000	100%	97%	93%	18	18 FTE	Medium	Major project with multiple sub-projects.
Project N	Ethan Orange	2024-02-01	2024-04-30	In Progress	\$600,000	\$580,000	\$20,000	75%	91%	87%	9	9 FTE	Medium	Good progress, minor issues resolved.
Project O	Sophia Pink	2024-03-01	2024-05-31	On Hold	\$450,000	\$450,000	\$0	15%	78%	72%	4	4 FTE	High	Re-evaluating project scope.
Project P	Lucas Brown	2024-04-01	2024-06-30	Planned	\$350,000	\$0	\$350,000	0%	55%	55%	3	3 FTE	Low	Initial planning and resource allocation.
Project Q	Isabella Green	2024-05-01	2024-07-31	Completed	\$280,000	\$290,000	-\$10,000	100%	99%	96%	2	2 FTE	Low	Minor budget overrun due to additional features.
Project R	Mason Blue	2024-06-01	2024-08-31	In Progress	\$1,100,000	\$1,050,000	\$50,000	65%	89%	84%	11	11 FTE	Medium	Complex integration with existing systems.
Project S	Charlotte Red	2024-07-01	2024-09-30	On Hold	\$850,000	\$850,000	\$0	10%	76%	71%	6	6 FTE	High	Re-evaluating market demand.
Project T	Benjamin Purple	2024-08-01	2024-10-31	Planned	\$750,000	\$0	\$750,000	0%	60%	60%	4	4 FTE	Low	Initial discovery and requirements gathering.
Project U	Amelia Yellow	2024-09-01	2024-11-30	Completed	\$550,000	\$530,000	\$20,000	100%	96%	92%	7	7 FTE	Medium	Successful completion of major milestone.
Project V	William Orange	2024-10-01	2024-12-31	In Progress	\$320,000	\$310,000	\$10,000	60%	88%	80%	3	3 FTE	Low	Steady progress in development phase.
Project W	Harper Pink	2024-11-01	2025-01-31	On Hold	\$1,600,000	\$1,600,000	\$0	0%	65%	60%	15	15 FTE	High	Strategic review and re-planning.
Project X	James Brown	2024-12-01	2025-02-28	Planned	\$260,000	\$0	\$260,000	0%	50%	50%	2	2 FTE	Low	Initial project setup and team formation.
Project Y	Evelyn Green	2025-01-01	2025-03-31	Completed	\$1,900,000	\$1,850,000	\$50,000	100%	97%	93%	18	18 FTE	Medium	Major project with multiple sub-projects.
Project Z	Michael Blue	2025-02-01	2025-04-30	In Progress	\$650,000	\$630,000	\$20,000	75%	91%	87%	9	9 FTE	Medium	Good progress, minor issues resolved.
Project AA	Madison Red	2025-03-01	2025-05-31	On Hold	\$480,000	\$480,000	\$0	15%	78%	72%	4	4 FTE	High	Re-evaluating project scope.
Project AB	David Purple	2025-04-01	2025-06-30	Planned	\$380,000	\$0	\$380,000	0%	55%	55%	3	3 FTE	Low	Initial planning and resource allocation.
Project AC	Chloe Yellow	2025-05-01	2025-07-31	Completed	\$290,000	\$300,000	-\$10,000	100%	99%	96%	2	2 FTE	Low	Minor budget overrun due to additional features.
Project AD	Robert Orange	2025-06-01	2025-08-31	In Progress	\$1,150,000	\$1,100,000	\$50,000	65%	89%	84%	11	11 FTE	Medium	Complex integration with existing systems.
Project AE	Grace Pink	2025-07-01	2025-09-30	On Hold	\$900,000	\$900,000	\$0	10%	76%	71%	6	6 FTE	High	Re-evaluating market demand.
Project AF	Henry Brown	2025-08-01	2025-10-31	Planned	\$800,000	\$0	\$800,000	0%	60%	60%	4	4 FTE	Low	Initial discovery and requirements gathering.
Project AG	Abigail Green	2025-09-01	2025-11-30	Completed	\$600,000	\$580,000	\$20,000	100%	96%	92%	7	7 FTE	Medium	Successful completion of major milestone.
Project AH	Isaac Blue	2025-10-01	2025-12-31	In Progress	\$340,000	\$330,000	\$10,000	60%	88%	80%	3	3 FTE	Low	Steady progress in development phase.
Project AI	Madeline Red	2025-11-01	2026-01-31	On Hold	\$1,700,000	\$1,700,000	\$0	0%	65%	60%	15	15 FTE	High	Strategic review and re-planning.
Project AJ	Samuel Purple	2025-12-01	2026-02-28	Planned	\$270,000	\$0	\$270,000	0%	50%	50%	2	2 FTE	Low	Initial project setup and team formation.
Project AK	Emily Yellow	2026-01-01	2026-03-31	Completed	\$2,000,000	\$1,950,000	\$50,000	100%	97%	93%	20	20 FTE	Medium	Major project with multiple sub-projects.
Project AL	Matthew Orange	2026-02-01	2026-04-30	In Progress	\$700,000	\$680,000	\$20,000	75%	91%	87%	10	10 FTE	Medium	Good progress, minor issues resolved.
Project AM	Sophia Pink	2026-03-01	2026-05-31	On Hold	\$520,000	\$520,000	\$0	15%	78%	72%	4	4 FTE	High	Re-evaluating project scope.
Project AN	Christopher Brown	2026-04-01	2026-06-30	Planned	\$400,000	\$0	\$400,000	0%	55%	55%	3	3 FTE	Low	Initial planning and resource allocation.
Project AO	Olivia Green	2026-05-01	2026-07-31	Completed	\$300,000	\$310,000	-\$10,000	100%	99%	96%	2	2 FTE	Low	Minor budget overrun due to additional features.
Project AP	Daniel Blue	2026-06-01	2026-08-31	In Progress	\$1,200,000	\$1,150,000	\$50,000	65%	89%	84%	11	11 FTE	Medium	Complex integration with existing systems.
Project AQ	Charlotte Red	2026-07-01	2026-09-30	On Hold	\$950,000	\$950,000	\$0	10%	76%	71%	6	6 FTE	High	Re-evaluating market demand.
Project AR	Benjamin Purple	2026-08-01	2026-10-31	Planned	\$850,000	\$0	\$850,000	0%	60%	60%	4	4 FTE	Low	Initial discovery and requirements gathering.
Project AS	Amelia Yellow	2026-09-01	2026-11-30	Completed	\$650,000	\$630,000	\$20,000	100%	96%	92%	7	7 FTE	Medium	Successful completion of major milestone.
Project AT	William Orange	2026-10-01	2026-12-31	In Progress	\$360,000	\$350,000	\$10,000	60%	88%	80%	3	3 FTE	Low	Steady progress in development phase.
Project AU	Harper Pink	2026-11-01	2027-01-31	On Hold	\$1,800,000	\$1,800,000	\$0	0%	65%	60%	15	15 FTE	High	Strategic review and re-planning.
Project AV	James Brown	2026-12-01	2027-02-28	Planned	\$280,000	\$0	\$280,000	0%	50%	50%	2	2 FTE	Low	Initial project setup and team formation.
Project AW	Evelyn Green	2027-01-01	2027-03-31	Completed	\$2,100,000	\$2,050,000	\$50,000	100%	97%	93%	20	20 FTE	Medium	Major project with multiple sub-projects.
Project AX	Michael Blue	2027-02-01	2027-04-30	In Progress	\$750,000	\$730,000	\$20,000	75%	91%	87%	10	10 FTE	Medium	Good progress, minor issues resolved.
Project AY	Madison Red	2027-03-01	2027-05-31	On Hold	\$550,000	\$550,000	\$0	15%	78%	72%	4	4 FTE	High	Re-evaluating project scope.
Project AZ	David Purple	2027-04-01	2027-06-30	Planned	\$420,000	\$0	\$420,000	0%	55%	55%	3	3 FTE	Low	Initial planning and resource allocation.
Project BA	Chloe Yellow	2027-05-01	2027-07-31	Completed	\$310,000	\$320,000	-\$10,000	100%	99%	96%	2	2 FTE	Low	Minor budget overrun due to additional features.
Project BB	Robert Orange	2027-06-01	2027-08-31	In Progress	\$1,250,000	\$1,200,000	\$50,000	65%	89%	84%	11	11 FTE	Medium	Complex integration with existing systems.
Project BC	Grace Pink	2027-07-01	2027-09-30	On Hold	\$1,000,000	\$1,000,000	\$0	10%	76%	71%	6	6 FTE	High	Re-evaluating market demand.
Project BD	Henry Brown	2027-08-01	2027-10-31	Planned	\$900,000	\$0	\$900,000	0%	60%	60%	4	4 FTE	Low	Initial discovery and requirements gathering.
Project BE	Abigail Green	2027-09-01	2027-11-30	Completed	\$680,000	\$660,000	\$20,000	100%	96%	92%	7	7 FTE	Medium	Successful completion of major milestone.
Project BF	Isaac Blue	2027-10-01	2027-12-31	In Progress	\$380,000	\$370,000	\$10,000	60%	88%	80%	3	3 FTE	Low	Steady progress in development phase.
Project BG	Madeline Red	2027-11-01	2028-01-31	On Hold	\$1,900,000	\$1,900,000	\$0	0%	65%	60%	15	15 FTE	High	Strategic review and re-planning.
Project BH	Samuel Purple	2027-12-01	2028-02-28	Planned	\$290,000	\$0	\$290,000	0%	50%	50%	2	2 FTE	Low	Initial project setup and team formation.
Project BI	Emily Yellow	2028-01-01	2028-03-31	Completed	\$2,200,000	\$2,150,000	\$50,000	100%	97%	93%	20	20 FTE	Medium	Major project with multiple sub-projects.
Project BJ	Matthew Orange	2028-02-01	2028-04-30	In Progress	\$800,000	\$780,000	\$20,000	75%	91%	87%	10	10 FTE	Medium	Good progress, minor issues resolved.
Project BK	Sophia Pink	2028-03-01	2028-05-31	On Hold	\$580,000	\$580,000	\$0	15%	78%	72%	4	4 FTE	High	Re-evaluating project scope.
Project BL	Christopher Brown	2028-04-01	2028-06-30	Planned	\$440,000	\$0	\$440,000	0%	55%	55%	3	3 FTE	Low	Initial planning and resource allocation.
Project BM	Olivia Green	2028-05-01	2028-07-31	Completed	\$320,000	\$330,000	-\$10,000	100%	99%	96%	2	2 FTE	Low	Minor budget overrun due to additional features.
Project BN	Daniel Blue	2028-06-01	2028-08-31	In Progress	\$1,300,000	\$1,250,000	\$50,000	65%	89%	84%	11	11 FTE	Medium	Complex integration with existing systems.
Project BO	Charlotte Red	2028-07-01	2028-09-30	On Hold	\$1,050,000	\$1,050,000	\$0	10%	76%	71%	6	6 FTE	High	Re-evaluating market demand.
Project BP	Benjamin Purple	2028-08-01	2028-10-31	Planned	\$950,000	\$0	\$950,000	0%	60%	60%	4	4 FTE	Low	Initial discovery and requirements gathering.
Project BQ	Amelia Yellow	2028-09-01	2028-11-30	Completed	\$700,000	\$680,000	\$20,000	100%	96%	92%	7	7 FTE	Medium	Successful completion of major milestone.
Project BR	William Orange	2028-10-01	2028-12-31	In Progress	\$400,000	\$390,000	\$10,000	60%	88%	80%	3	3 FTE	Low	Steady progress in development phase.
Project BS	Harper Pink	2028-11-01	2029-01-31	On Hold	\$2,000,000	\$2,000,000	\$0	0%	65%	60%	15	15 FTE	High	Strategic review and re-planning.
Project BT	James Brown	2028-12-01	2029-02-28	Planned	\$300,000	\$0	\$300,000	0%	50%	50%	2	2 FTE	Low	Initial project setup and team formation.
Project BU	Evelyn Green	2029-01-01	2029-03-31	Completed	\$2,300,000	\$2,250,000	\$50,000	100%	97%	93%	20	20 FTE	Medium	Major project with multiple sub-projects.
Project BV	Michael Blue	2029-02-01	2029-04-30	In Progress	\$850,000	\$830,000	\$20,000	75%	91%	87%	10	10 FTE	Medium	Good progress, minor issues resolved.
Project BW	Madison Red	2029-03-01	2029-05-31	On Hold	\$600,000	\$600,000	\$0	15%	78%	72%	4	4 FTE	High	Re-evaluating project scope.
Project BX	David Purple	2029-04-01	2029-06-30	Planned	\$460,000	\$0	\$460,000	0%	55%	55%	3	3 FTE	Low	Initial planning and resource allocation.
Project BY	Chloe Yellow	2029-05-01	2029-07-31	Completed	\$330,000	\$340,000	-\$10,000	100%	99%	96%	2	2 FTE	Low	Minor budget overrun due to additional features.
Project BZ	Robert Orange	2029-06-01	2029-08-31	In Progress	\$1,350,000	\$1,300,000	\$50,000	65%	89%	84%	11	11 FTE	Medium	Complex integration with existing systems.
Project CA	Grace Pink	2029-07-01	2029-09-30	On Hold	\$1,100,000	\$1,100,000	\$0	10%	76%	71%	6	6 FTE	High	Re-evaluating market demand.
Project CB	Henry Brown	2029-08-01	2029-10-31	Planned	\$1,000,000	\$0	\$1,000,000	0%	60%	60%	4	4 FTE	Low	Initial discovery and requirements gathering.
Project CC	Abigail Green	2029-09-01	2029-11-30	Completed	\$720,000	\$700,000	\$20,000	100%	96%	92%	7	7 FTE	Medium	Successful completion of major milestone.
Project CD	Isaac Blue	2029-10-01	2029-12-31	In Progress	\$420,000	\$410,000	\$10,000	60%	88%	80%	3	3 FTE	Low	Steady progress in development phase.
Project CE	Madeline Red	2029-11-01	2030-01-31	On Hold	\$2,100,000	\$2,100,000	\$0	0%	65%	60%	15	15 FTE	High	Strategic review and re-planning.
Project CF	Samuel Purple	2029-12-01	2030-02-28	Planned	\$310,000	\$0	\$310,000	0%	50%	50%	2	2 FTE	Low	Initial project setup and team formation.
Project CG	Emily Yellow	2030-01-01	2030-03-31	Completed	\$2,400,0									

[illegible]

2.14. Other supporting documents

Please see attached A -Schedule

2.15. Municipal manager’s quality certificate

I, municipal manager of Ugu District Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name _____

Municipal manager of Ugu District Municipality (DC21)

Signature _____

Date _____

UGU DISTRICT MUNICIPALITY

TARIFF OF CHARGES 2024/2025 WITH EFFECT FROM 1 JULY 2024 (EXCLUDING VAT)

1. COUNCIL'S CHARGES FOR WATER SUPPLIED TO CONSUMERS

- (a) All consumers with a private water connection will be liable for the payment of a basic charge irrespective of whether water is supplied or not. The basic charge shall be calculated by multiplying the quota of a consumer by the amount of the basic charge tariff.
- (b) Charges for water supplied shall be calculated by multiplying the consumption of the consumer by the applicable tariff code, by category of consumer.
- (c) The following tariff and basic costs will be implemented on all accounts submitted on or after **1 July 2024** based on the quota as allocated to the meter.
- (d) The production cost incurred by the municipality in producing one (1) kilolitre of water is **R22.72 excluding VAT.**
- (e) The 6 kilolitres free will only be limited to indigent customers. Non indigent customers will be charged on all water usage.
- (f) All overdue accounts will be charged 6.9% interest per annum.
- (g) The security deposit amounts for new connections per quota will be as follows: - R1 000.00 for Urban customers, R200 for Rural customers, R2 000.00 for Tenants.
- (h) A security deposit for accounts opened for private contractors that dispose domestic sewer effluent at the municipal WWTW is R6 000.00.

CONSUMPTION CHARGE

1. Properties zoned as Special and General Residential - Category A

A: INDIGENTS CUSTOMERS

	2023/2024	2024/2025	% Increase	
0 to 6 Kl	Free		Indigent only	Indigent customers
7 – 39kl	19.8	22.77	15%	Break even
40 – 51kl	31.57	36.31	15%	Surplus
>52kl	35.56	40.89	15%	Surplus

B: NON-INDIGENTS CUSTOMERS

	2023/2024	2024/2025	% Increase	
0 – 39kl	19.80	22.77	15%	Break even
40 – 51kl	31.57	36.31	15%	Surplus
>52kl	35.56	40.89	15%	Surplus

2. Multi-unit residential - Estates AND OTHER bulk users

Total Monthly Quota as per Service Level Agreement- Category B

	2023/2024	2024/2025	% Increase	
For water consumption up to quota	19.80	22.77	15%	Break even
For water drawn in excess of quota	35.65	41.00	15%	Surplus

3. Commercial, Industrial or other- Category C

	2023/2024	2024/2025	% Increase	
For water consumption up to quota	20.86	23.99	15%	Break even
For water drawn in excess of quota	39.55	45.48	15%	Surplus

4. Special Category - Category D

Basic to be determined as per Service Level Agreement
Water Consumption determined as per Service Level Agreement

5. Harry Gwala District Municipality

	2023/2024	2024/2025	% Increase	
For water consumption	8.76	10.07	15%	Deficit

BASIC CHARGE

1. Category A to D (i.e. Residential and Special Residential Properties)

- (a) A monthly basic charge per kilolitre quota (or part thereof) per day which cost shall be paid at Council's option by the consumer and/or legal owner of the property serviced by the meter – **R201.27 (2023/2024 R175.02)**

Consumers residing in areas currently categorised as rural areas by the municipality will receive a 75% rebate on the basic charge. **R150.95 (2023/2024: R43.76)**

- (b) A monthly basic charge per kilolitre quota of **0.71 kilolitres** per day, which cost shall be paid at Council's option by the consumers residing in areas currently categorised as sub-economic by the municipality – **R50.32 (2023/2024: R124.26)**

*All unmetered rateable properties will be charged a basic charge per month as determined by Council from time to time – **R201.27 (2023/2024 R175.02)**

2. Water and Sanitation Basic Charges- other

Category	Adjusted billing to
Schools	One Basic per meter + Charge per Kilolitre
Religious institutions & non-profit organisations	One Basic per meter + Charge per Kilolitre
Industrial	Calculated Quota

3. COUNCIL'S CHARGE FOR A NEW WATER AND SANITATION CONNECTION

3.1 WATER

SIZE	2023/2024	2024/2025	% Increase
15 mm [Other]	4 858.32	5 587.07	15%
20 mm	8 800.55	10 120.63	15%
25 mm	11 406.21	13 117.14	15%
40 mm	17 851.60	20 529.34	15%

SIZE	Deposit Required	
50mm	12 000.00	Cost plus 10%
75mm	13 000.00	Cost plus 10%
100mm	14 000.00	Cost plus 10%
50mm combination	16 000.00	Cost plus 10%

3.2 SANITATION

SIZE	2023/2024	2024/2025	% Increase
110mm standard connection, 6m from the boundary of the property to be connected	3 096.53	3 561.01	15%
160mm Standard connection 6m from the boundary of the property to be connected	3 983.03	4 580.48	15%
SIZE			
110mm under gravel, situated more than 6m from boundary of the property to be connected	Cost plus 10%	Cost plus 10%	
160mm under gravel, situated more than 6m from boundary of the property to be connected	Cost plus 10%	Cost plus 10%	
110mm under tarmac road, situated more than 6m from boundary of the property to be connected	Cost plus 10%	Cost plus 10%	
160mm under tarmac road, situated more than 6m from boundary of the property to be connected	Cost plus 10%	Cost plus 10%	

4. COUNCIL'S CHARGES FOR MISCELLANEOUS SERVICES

	SERVICE	2023/2024	2024/2025	% INCREASE
4.1	Testing water meters 15 mm and 20 mm	1 997.01	2 296.56	15%
4.2	Reconnection/Requested Disconnection of supply	421.46	484.68	15%
4.3	Reconnection of supply outside working hours	1 838.14	2 113.86	15%
4.4	Restriction (Credit control)	431.73	496.49	15%
4.5	Disconnection (Credit control)	1 007.35	1 158.45	15%
4.6	Special meter readings	1 439.03	1 654.88	15%
4.7	Inspection of leaks in terms of Section 23(c)	1 920.82	2 208.94	15%
4.8	Any other service	N/A	N/A	
4.9	For water drawn from an unmetered point of supply per hour or part thereof	1 467.82	1 687.99	15%
4.1	For water drawn from a hydrant standpipe	19.8	22.77	15%
4.11	Availability charge per fire hydrant standpipe	151.66 per month per fire hydrant	174.41 per month per fire hydrant	15%
4.12	Water supplied by tanker less/equal to 6kl	2 075.80	2 387.17	15%
4.13	Plan approval fee	456.69	525.19	15%
4.14	Inspection Fee per visit	929.44	1 068.86	15%
4.15	Manual Clearance Certificates Fee	966.39	1 111.35	15%
4.16	Electronic Clearance Certificates Fee	479.99	551.99	15%
4.17	Drainage Certificate Fee	377.4	434.01	15%

	SERVICE	2023/2024	2024/2025	% INCREASE
4.18	Application in terms of New Planning Act	4 694.15	5 398.27	15%
4.19	Town Planning Applications	456.69	525.19	15%
4.20	Miscellaneous charges	Cost + 10%	Cost + 10%	
4.21	Administration fee/ Town Planning related matters	369.71	425.17	15%
4.22	Administration fee/ Town Planning related matters	929.44	1 068.86	15%
4.23	Administration fee for dishonoured payments	100.00	100.00	0%
4.24	Sale of Tender documents	1 000.00	1 000.00	0%

- The price for tender documents has now been standardised to cost R1 000.00

5. COUNCIL'S CHARGES FOR SANITATION SERVICES

		2023/2024	2024/2025	% INCREASE / (DECREASE)
5.1	Waterborne Sanitation (All Areas)			
	Residential			
	Basic Charge (per unit / per property)	285.31	328.11	15%
	Charge per kilolitre (water consumption)	6.16	7.08	15%
	Conservancy with a Main line facility to Pay 2 x basic fee	570.62	656.21	15%
	Industrial/Commercial			
	Basic Charge (per quota)	285.31	328.11	15%
	Charge per kilolitre	8.91	10.25	15%
5.2	For any sewage effluent delivered to the sewerage works for processing, per kilolitre or part thereof	46.24	53.18	15%
5.3	Conservancy Tank Clearances (All Ugu)			
	Residential			
	Basic Charge (per unit/ per property)	285.31	328.11	15%
	Charge per kilolitre (water consumption)	6.16	7.08	15%
	SINGLE RESIDENTIAL UNITS			
	§ FIRST LOAD 100% OF APPROVED TARIFF –	918.64	1 056.44	15%
	§ SECOND LOAD 70% OF APPROVED TARIFF-	643.05	739.51	30% rebate
	§ THIRD LOAD AND MORE 50% OF APPROVED	459.32	528.22	50% rebate

		2023/2024	2024/2025	% INCREASE/ (DECREASE)
	As approved by a municipal inspector Industrial/Commercial Basic Charge (per quota) Charge per kilolitre <i>Conservancy tank customers will receive one load per month included in the basic charge tariff</i>	285.31 8.91	328.11 10.25	15% 15%
5.4	Adhoc Vacuum tanker services (All Ugu) For each draw requested	918.64	1 056.44	15%
5.5	Removal of conservancy tank effluent: - - For the removal of conservancy effluent per load or part thereof after normal office hours (Monday to Friday). An applicant for the supply of a conservancy service shall pay a deposit equivalent to the rand value of the number of estimated additional monthly draws anticipated.	3 637.63	4 183.27	15%
5.6	1) Conservancy tank additional draws are performed on a cash basis, unless there is a consumer account reflecting an appropriate deposit. 2) Conservancy tank draws shall be performed within 48 hours of request and/or confirmation of receipt of monies. 3) It is the responsibility of the person requesting a draw to get a reference number for follow-up queries.	616.99 628.59 440.74	709.54 722.88 506.85	15% 15% 15%
5.7	Septic Tank Charge: - Umdoni Municipality - Per Draw Provided: i) The septic tank must be located and exposed by the owner. ii) The effluent in the septic tank must be liquefied by the owner. iii) The septic tank must be accessible for removal. This service is performed on a cash basis only.	2 312.19	2 659.02	15%
5.8	Leachate Removal Charge: Umdoni Municipality - Per Draw	415.05	477.31	15%

6. Tariff of charges for GIS Copies of Maps – all prices excl vat

Size	Colour Copy		Black and White Copy		Standard photocopy		% Increase / (Decrease)
	2023/2024	2023/2025	2023/2024	2024/2025	2022/2023	2024/2025	
A0	471.60	494.71	235.8	247.35			4.9%
A1	353.68	371.01	176.83	185.49			4.9%
A2	235.8	247.35	110.13	115.53			4.9%
A3	142.39	149.37	70.72	74.19	11.77	12.35	4.9%
A4	0	-	58.93	61.82	4.71	4.94	4.9%
Electronic Soft copy on CD	116.76	122.48					4.9%
Images (per MB)			58.93	61.82			4.9%

7.1 CAPITAL CONTRIBUTIONS FOR 2024/2025

Capital contribution shall be based on the actual demand and actual current cost that each development requires as calculated by a registered Civil Engineer and agreed to by Ugu Water Services Authority. The design shall be in terms of the Guidelines for Engineering Services and the National Building Regulations (SANS 0400).

	2023/2024	2024/2025	% Increase/ Decrease
Water Acquisition per cost of one quota (=1kl)	18 671.36	19 586.26	4.9%
Sanitation Acquisition per cost of one quota (=1kl)	19 592.37	20 552.40	4.9%
VTS Acquisition per cost of one quota (=1kl)	9 444.99	9907.79	4.9%

7.2 QUOTA

Quota can be bought at the rate (tariff) applicable when the development was constructed.

7.3 NUMBER OF BASIC CHARGES

Number of Basic charges shall be based on the actual number of units for each property. The number of basic charges shall be calculated as per the Guidelines for Engineering Services and based on the number of units, unit size and consumption per unit.

8. INDUSTRIAL EFFLUENT CHARGES

- The charges payable by the owner or occupier, as the case may be, of the manufacturing premises for the use of the Council's sewers in respect of the discharge and conveyance therein of trade effluent from the manufacturing premises, including the use of the Council's sewage purification works for purification of the trade effluent, shall be determined in accordance with the provisions of this by-law. Accounts will be rendered as soon as possible after each period of six months ending on 31st December, or 30th June of each year and shall apply to such periods. Where during any such six monthly period there has been a change of ownership or occupancy necessitating an apportionment of the amount due to the Council, the Council will apportion the amount between the parties concerned in a manner proportionate to the quantity of trade effluent discharged during the relevant respective periods of ownership or occupancy. Nothing herein shall be construed as

preventing the Council from submitting accounts on a monthly basis should such practice be considered more expedient by the Council.

The General Manager: Water Services may base the trade effluent charge as described in paragraph (p) section (a), on the highest COD of one, or more samples collected from the trade effluent sampling point.

The charge to be levied by the General Manager: Water Services in respect to trade effluent discharged into its sewers from manufacturing premises shall be assessed in accordance with the following formula: -

$$R = A + ((\text{COD}/1000) \times B)$$

WHERE

R is the rate in cents per kilolitre due to the Council.

A is the basic carriage tariff expressed in cents per kilolitre, determined annually in advance by the Council. The value of A is R10.79

B is the basic treatment tariff expressed in cents per kilogram of COD, determined annually in advance by the Council. The value of B is R1.02

COD is the chemical oxygen demand value expressed in milligram of COD per litre of effluent recorded in snap samples of effluent collected as and when deemed fit by the General Manager: Water Services.

The charges payable by the owner or occupier will also include any other charges as may be applicable.

- A copy of the methods of chemical analysis and testing procedures used to determine the COD for the purpose of calculating the charge equation described above shall be kept available by the General Manager: Water Services for inspection by the owner or occupier of any premises concerned. The method of chemical analysis will in all respects follow the STANDARD METHODS FOR WATER ANALYSES published by the SOUTH AFRICAN BUREAU OF STANDARDS being SABS METHOD 1048 – CHEMICAL OXYGEN DEMAND OF WATER.
- In the absence of any direct measurement, the quality of trade effluent discharged into the Council's sewers from any manufacturing premises during any period shall be estimated and determined by the General Manager: Water Services by reference to the quantity of water consumed on such premises during such period. The quantity of water consumed on such premises shall be determined by reference to the Council's water meters in the case of water obtained from the Council and by meter or by calculation in the case of water obtained from any other source, including water emerging from material processed on the premises. In determining the quantity of trade effluent so discharged, due allowance shall be made for the quality of water which it is estimated is used for domestic purposes including gardening on such premises or any other purpose not resulting in the discharge of trade effluent and for water lost by reaction or evaporation during any processes on the manufacturing premises concerned and for water present in the final products or materials produced on such premises and, generally, the District Municipality shall take into consideration such matters as will enable it to estimate for the purpose of the by-laws the quantity of trade effluent discharged as aforesaid during any given period.

Industries linked to water borne sewer will be liable for the sanitation basic fee and charges per kilolitre as per charges set, over and above the industrial effluent charge, based on the calculated quota.

9. **ACCEPTANCE OF SEWAGE DELIVERED BY ROAD HAULAGE**

Description	2023/2024	2024/2025	% Increase/ Decrease
The charges for any sewage delivered for disposal to any Council facilities shall be assessed by an authorised officer in accordance with the prescribed tariff of charges:			
(a) Disposal of trade effluent from within the Council's area of jurisdiction delivered by private road tanker to Council facilities Per tanker load	1 016.44	1168.906	15%
(b) Disposal of trade effluent from without the Council's area of jurisdiction delivered by private road tanker to Council facilities Per tanker load	1 823.62	2 097.16	15%
(c) Disposal of domestic effluent from within or without the Council's area of jurisdiction to Council facilities (i) delivered by private road tanker per kilolitre, measured as the nominal carrying capacity, of the tanker	303.92	349.508	15%
(ii) delivered by private road haulage in drums per drum of capacity not exceeding 150 litres	60.77	69.8855	15%

10. **TARIFFS FOR INSTALLATION OF BASE TELECOMMUNICATION STATIONS**

The MONTHLY tariffs for the new installation and the renewal of existing leases of base telecommunication stations on municipal property shall be as per the below mentioned tariff of charges which has increased by 4.9%:

New installation

- R10 221.24 (**2023/2024: R9 743.79**) on property with an existing structure.

Tower erected on Municipal land (a Greenfield site)

- R5 110.60 (**2023/2024: R4 5871.88**) for Co-Locators (Sub-leases)

Billed to the main lessee, applicable to new leases signed or renewed after 1 July 2012

-R2 044.25 (**2023/2024: R1 948.76**) for antennae's with no base stations

Dependant on technical criteria, frequency emissions and site size being no greater than 5m2

It should be noted that for a single installation, a lease agreement will be entered into with one service provider. In the event of co-use of telecommunications masts by cellular network providers, the primary service provider with whom the municipality entered into lease agreement will be responsible for the account.

Existing leases

The renewal of existing leases will be as per the signed SLA

The escalation percentage will be as per the signed SLA

11. **OFFENCES AND PENALTIES**

Any offences and/or penalties raised by the municipality shall be affected in terms of the Ugu Public Health Bylaws which was adopted on 25th May 2017 under Resolution No. 10.2.6 by the Ugu District Municipality, Provincial Gazette No. 1965 of 21 June 2018.

ENVIRONMENTAL HEALTH PROPOSED TARIFFS AND CHARGES

		2023/2024	2023/2025	% Increase/ Decrease
1	Causing of public health hazard or nuisances	1 500.00	1 573.50	4.9%
	FOOD			
2	Failure to operate a food handling premises with a valid certificate of acceptability	1 000.00	1 049.00	4.9%
3	Failure to comply with standards and requirements for food Premises including butcheries (handling of meat), and caterers	1 000.00	1 049.00	4.9%
4	Failure to comply with standards and requirements for the storage and transport of food	500.00	524.50	4.9%
5	Failure to comply with general requirements for vending carts	500.00	524.50	4.9%
6	Failure to display a valid COA	500.00	524.50	4.9%
	WATER POLLUTION			
7	Failure to comply with wastewater runoff and disposal from premises which may impact on public health	1 000.00	1 049.00	4.9%
8	Dumping/littering and/or disposal of any waste in an unauthorized area	1 000.00	1 049.00	4.9%
9	Failing to maintain uninterrupted and adequate water supply to premises	1 000.00	1 049.00	4.9%
	SANITARY SERVICES			
10	Failure to maintain the fat/grease trap in good order	1 500.00	1 573.50	4.9%
11	Failure to comply with condition of toilets, urinals, backyards and refuse areas	1 500.00	1 573.50	4.9%
12	Failure to keep drains, sanitary fitments, and sewer systems in good order	1 500.00	1 573.50	4.9%
13	Failure to comply with the environmental health requirements of childcare services	2 000.00	2 098.00	4.9%

		2023/2024	2023/2025	% Increase/ Decrease
	DISPOSAL OF THE DEAD			
14	Failure to operate funeral undertaker's premises without a valid certificate of competence	2 000.00	2 098.00	4.9%
15	Failure to comply with the conditions of certificate of competence for funeral undertakers and mortuary	2 000.00	2 098.00	4.9%
	BURIAL SITES AND BURIALS			
16	Failure to comply with the minimum requirements for a crematorium facility	2 500.00	2 622.50	4.9%
17	Failure to comply with the requirements for transportation of mortal remains	2 500.00	2 622.50	4.9%
	KEEPING OF ANIMALS			
18	Failure to comply with the requirements for premises of keeping of animals	1 000.00	1 049.00	4.9%
	SCHEDULED TRADES			
19	Conducting a scheduled trade operation without approval	2 500.00	2 622.50	4.9%
	CHARGES			
	FOOD			
1	Issuing of Amendment, Renewal or Duplicate Certificate of Acceptability	500.00	524.50	4.9%
2	Application fee for caterers' events permit	200.00	209.80	4.9%
3	Re-inspection of a food premises for finalization of issuing of Certificate of Acceptability	500.00	524.50	4.9%
4	Renewal of Certificate of Acceptability for caterers and mobile units	200.00	209.80	4.9%
	DISPOSAL OF THE DEAD			
5	Issuing Certificate of competence in respect of funeral undertakers and mortuaries	1 000.00	1 049.00	4.9%
6	Permit to operate a crematorium	1 000.00	1 049.00	4.9%

12. **SPORTFIELDS AND MULTI – COURTS TARIFFS 2022/2023**

	SERVICE	2023/2024	2024/2025	% Increase/ Decrease
1	SOCCER FIELDS			
	1.1 Ad Hoc Daily Charges - Sporting Events			
	(Per field or part thereof).			
	1.1.1 Hire by clubs, associations, schools, welfare organisations and Religious Organisations			
	If a gate levy or event fee is charged, then the hire fee will be either 15% of gross gate levy or the tariff, whichever is the greater. PER GAME			
	- FIELD A	905.65	950.03	4.9%
	- FIELD B	627.84	658.60	4.9%
	- FIELD C	627.84	658.60	4.9%
	1.1.2 Hire by Professional clubs:			
	(i) Soccer Match - FIELD A	3 333.69	3 497.04	4.9%
	- FIELD B	2 778.06	2 914.18	4.9%
	- FIELD C	2 778.06	2 914.18	4.9%
	1.1.3 Hire by Professional Clubs for training sessions only (Per day or part thereof) one day prior to the day of the match - FIELD B only			
	1.2 Hire Flood Lights - Per hour or part thereof	627.84	658.60	4.9%
	1.2.1 Schools and amateur clubs - FIELD A (100 lux)	148.16	155.42	4.9%
	- FIELD B (100 lux)	148.16	155.42	4.9%
	1.2.2 Practice - MAIN FIELD (200 lux)	259.28	271.98	4.9%
	- FIELD B (200 lux)	259.28	271.98	4.9%
	1.2.3 Event - MAIN FIELD (500 lux)	1 000.10	1 049.10	4.9%
	1.3 Corporate Events - Daily Charges			
	- FIELD A	8 445.35	8 859.17	4.9%
	- FIELD B	7 178.38	7 530.12	4.9%
	Flood Lights - as per hourly charge item 1.2			
2	MULTI-COURT CHARGES			
	Netball, Volleyball, Basketball, Korfball, Other			
	2.1 DAILY CHARGES per Court			
	per session to a maximum of 4 hours,	130.89	137.30	4.9%
	Thereafter per hour or part thereof.	21.28	22.32	4.9%
	2.2 MONTHLY CHARGES per court			
	per court, applicable to clubs, schools, & associations.	282.43	296.27	4.9%
	2.3 HIRE FLOOD LIGHTS - Per hour or part thereof			
	2.3.1 Schools and Amateur clubs	208.58	218.80	4.9%
	2.3.2 Commercial users	305.59	320.56	4.9%

	SERVICE	2023/2024	2024/2025	% Increase/ Decrease
	OTHER			
3	DAILY CHARGES			
	3.1 Use of ablutions/ changerooms for sporting and other events taking place outside the facility (per change room unit)	643.43	685.25	4.9%
	3.2 CLUB HOUSE			
	(i) Hire of functions room only, not connected with an event at the stadium, per 4 hour or part thereof	208.67	222.23	4.9%
	(ii) V.I.P. Lounge - Per hour per room.	391.27	416.70	4.9%
	3.3 Driving schools - Driver training in the parking area- per month	408.67	435.23	4.9%
4	INDOOR CENTRE			
4.1	Balls, Dances, Discotheques, Banquets,			
	Exhibitions, Concerts, Shows, Competitions,			
	Conferences, Promotions, Pageants, Funerals, Memorial Services, Isikhumbuzo.			
	(i) Per hour or thereof (min 4 hours hire) - weekdays	208.67	222.23	4.9%
	(ii) 50% for setting up/breaking down per hour Weekends	521.70	555.61	4.9%
4.2	Weddings, Thanksgiving, Birthdays, Graduation Ceremonies, Engagements, Umemulo			
	(i) Per hour or part thereof (min 4 hours hire)			
	(ii) 50% for setting up/breaking down per hour			
	Public assemblies, Lectures, Meetings, Seminars and Workshops			
4.3	Religious Services, Inkonzo yePhasika, School entertainment and functions			
	(i) Per hour or part thereof (min 4 hours hire)	173.90	185.20	4.9%
	(ii) 50% for setting up/breaking down per hour			
4.4	Public assemblies, Lectures, Meetings, Seminars and Workshops			
	(i) Per hour or part thereof (min 4 hours hire)	608.66	648.22	4.9%
	(ii) 50% for setting up/breaking down per hour			
5	Sport, Recreation and Cultural practices, competitions and tournaments incl. music, drama and dance			
	(i) For once off events and tournaments			
	per hour or part thereof (min 4 hours hire)	434.75	463.01	4.9%
	(ii) Club/Association/Federation training and coaching,			
	per hour or part thereof (min 4 hours hire)	260.85	277.81	4.9%
	(iii) 50% for setting up / breaking down per hour.			

13. PROMOTION OF ACCESS TO INFORMATION ACT (PAIA) SCHEDULE OF FEES (Act No. 2 of 2000)
[Regulation 6]

A request for access to a record, as contemplated in Section 18(1) of the Act, must be made in the form of Form A – PAIA REQUEST FOR ACCESS TO RECORD.

FEE STRUCTURE

Fees chargeable for the records of Ugu District Municipality;

A.	REPRODUCTION FEES	2023/2024	2024/2025	% Increase/ Decrease
1	For every photocopy of an A4 Size page or part thereof	1.22	1.28	4.9%
2	For every printed copy of an A4 size page or part thereof held on a computer in electronic or machine-readable form	0.86	0.90	4.9%
3	For a copy in a computer readable form on;			
3.1	Compact Disc (CD)	81.26	85.24	4.9%
3.2	Digital Video Disk (DVD)	81.26	85.24	4.9%
4				
4.1	For transcription of visual images for an A4 size page or part thereof			
4.2	For a copy of visual images			
5				
5.1	For a transcription of an audio record, for an A4 size page or part thereof	27.72	29.08	4.9%
5.2	For a copy of an audio record	37.91	39.77	4.9%
6	The request fee payable by every requested, other than a personal requestor referred to in section 22(1) of the Act	71.05	74.53	4.9%
B.	ACCESS FEES			
	Access fees payable by a requester referred to in section 22(7) of the Act, unless exempted under section 22(8) of the Act			
1	For every photocopy of an A4 Size page or part thereof	1.22	1.28	4.9%
2	For every printed copy of an A4 size page or part thereof held on a computer in electronic or machine readable form	0.90	0.94	4.9%
3	For a copy in a computer readable form on;			
3.1	Compact Disc (CD)	81.26	85.24	4.9%
3.2	Digital Video Disk (DVD)	81.26	85.24	4.9%
4				
4.1	For transcription of visual images for an A4 size page or part thereof	44.68	46.87	4.9%
4.2	For a copy of visual images	121.85	127.82	4.9%
5				
5.1	For a transcription of an audio record, for an A4 size page or part thereof	24.38	25.57	4.9%
5.2	For a copy of an audio record	67.28	70.58	4.9%
6	To search for the record for disclosure, excluding the first hour, reasonably required time for such a search.	R31.48 per hour or part of an hour	R33.02 per hour or part of an hour	4.9%

14. COUNCIL'S TARIFF OF CHARGES FOR ATMOSPHERIC EMISSIONS LICENCE PROCESSING

- (a) All activities listed in terms of section 21 of the NEM-Air Quality Management Act (Act no. 39 of 2004) and Section 6 of Ugu District Municipality Air Quality Management by-law will be subject to the payment of an AEL processing fee.
- (b) The cost shall be calculated by using the AEL processing fee calculator which is prescribed by Ugu District Municipality with due consideration given to a myriad of factors.
- (c) The fee shall be implemented on all AEL applications submitted to the Air Quality Officer (AQO) for scrutiny and approval.

Atmospheric Emission Processing fees

	2023/2024	2024/2025	% Increase/ Decrease
Application for new Atmospheric Emission License	R10 000.00 per listed activity	R10 490.00 per listed activity	4.9%
Application for Atmospheric Emission License Review	R10 000.00 per listed activity	R10 490.00 per listed activity	4.9%
Application for Atmospheric Emission License Renewal	R5 000.00 per listed activity	R5 245.00 per listed activity	4.9%
Application for Atmospheric Emission License transfer	R 2 000.00	R 2 098.00	4.9%

2.10 Municipal manager's quality certificate

I Nela Owen Mazibuko....., municipal manager of Ugu District Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name Nela Owen Mazibuko

Municipal manager of Ugu District Municipality (DC21)

Signature



Date

15/05/24

UGU DISTRICT MUNICIPALITY

**EXTRACT FROM THE DRAFT MINUTES OF THE MEETING OF THE
UGU DISTRICT MUNICIPAL COUNCIL HELD ON 23 MAY 2024**

10.2

Ugu District Municipality – Final Budget 2024/2025

His Worship, the Mayor took members through the Final Budget for the 2024/2025 Financial Year for Ugu District Municipality.

Following which,

It was

RESOLVED:

- (a) That the Final Budget Executive Summary for the Financial Year 2024/2025 be and is hereby **CONSIDERED** and **NOTED**.
- (b) That the Tariff of Charges Schedule for the Financial Year 2024/2025 be and is hereby **APPROVED**.
- (c) That the Final Budget Executive Summary for the Financial Year 2024/2025 and its outer years (A-Schedule) be and is hereby **APPROVED** as set out in the following schedules:
 - Table A1- Budget Summary
 - Table A2 – Budget Financial Performance (Standard Classification)
 - Table A3 – Budget Financial Performance (Rev & Exp by municipal vote)
 - Table A4 – Budget Financial Position (Revenue & Expenditure)
 - Table A5 – Capital Budget
 - Table A6 – Budget Financial Position
 - Table A7 – Budget Cash Flow
 - Table A8 – Cash backed reserves
 - Table A9 – Asset Management
 - Table A10 – Basic Service Delivery
 - Other Supporting Tables (Tables SA1 – SA37)
- (d) That the following Final Budget related policies be and is hereby **APPROVED**, namely:
 - Asset Disposal Policy,
 - Asset Management Policy,
 - Borrowing Policy,
 - Budget Policy,
 - Cash Management and Investment Policy,
 - Cash Management Policies,

- Cost Containment Policy,
- Credit Control and Debt Collection By-Law,
- Credit Control and Debt Collection Policy,
- Expenditure Policy,
- Free Water Services Policy,
- Funding & Reserves Policy,
- Handling of Insurance Claims Procedure and Process,
- Indigent Policy,
- Insurance Policies,
- Pretty Cash Policy,
- Standard Infrastructure Procurement and Delivery Management,
- Supply Chain Management Policy,
- Unauthorized, Irregular, Fruitless and Wasteful Expenditure,
- Virement Policy.

CERTIFIED A TRUE COPY OF THE ORIGINAL



MS M GOBHOZI

ACTING GENERAL MANAGER: CORPORATE SERVICES

UGU DISTRICT MUNICIPALITY



Policy Custodian	BTO
Policy Name	Asset Disposal Policy
Policy Number	5/17/P/1
Status	Review
Date	2023/24FY
Approved by	Council
Date First Approved by Council	28 June 2018
Date Last Approved by Council	25 May 2023
Date for Next Review	2024/25 FY



RECEIVED

By N.Msomi at 8:27 am, Feb 22, 2024

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PREAMBLE

Policies are formulated at all three spheres of government – national, provincial and local and speak broadly of goals and desirable outcomes.

Given the fact that the Municipality is a big organisation, comprised of a number of Units which are managed by different individuals, it is essential that we strive to do things in a way that we all can understand, and that uniformity is maintained.

Based on this rationale, the Asset Disposal Policy has been developed in order to ensure that necessary consultation and protocol are adhered to in all the policies within the Municipality. The document will ensure collective ownership and effective implementation of all the policies within the Municipality.

Policies are not documents to be tucked away in cabinets; but are intended to guide our daily activities. They give a directive for each programme, establish its goals, measures and targets, and assigns responsibilities. They are used as the basis for protecting municipal information and guiding employee behaviours.

A policy does not guarantee a good outcome but in the absence of a policy, the Municipality is in high risk of a breach of security, poor standards, loss of competitive advantage, and loss of customer confidence.

1. INTRODUCTION

- 1.1. The purpose of the Asset Disposal Policy is to provide a framework for the disposal of the municipality's assets that are not needed to provide the minimum level of basic municipal services and that are surplus to the municipality's requirements.
- 1.2. Section 14 of the Municipal Finance Management Act (Act No. 56, 2003) states: "A municipality may not transfer ownership as a result of a sale or other transaction, or otherwise permanently dispose of any capital asset needed to provide a minimum level of basic municipal services.
- 1.3. A municipality may transfer ownership or otherwise dispose of an asset, other than an asset mentioned above, only after the disposal committee meeting:
 - 1.3.1. Has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and
 - 1.3.2. Has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset.

2. DEFINITIONS

- 2.1. **Asset** means any resource controlled by the municipality, from which the municipality expects to derive economic benefits or use for service delivery to the general public over a period extending beyond one financial year.
- 2.2. **Basic municipal service** means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment.



- 2.3. **Carrying amount** is the amount at which an asset is recognised after deducting any accumulated depreciation and accumulated impairment losses.
- 2.4. **Council** means the Municipal Council of the Ugu District Municipality, its legal successors in title.
- 2.5. **Disposal** means the alienation of an asset no longer needed by the municipality by means of a sale, a lease or a donation.
- 2.6. **Disposal Committee** means a committee as appointed by the Management Committee of the municipality to facilitate and recommend to council the disposal of all municipal assets.
- 2.7. **Fair value** of an asset is the amount obtainable from the sale of the asset in an arm's length transaction between willing parties less the selling costs.
- 2.8. **Proceeds** are the sales value, trade-in value or proceeds received from insurance if the asset was damaged or stolen.
- 2.9. **Profit on disposal**: when an asset is disposed for an amount higher than its carrying amount at the date of disposal.
- 2.10. **Loss on disposal**: when an asset is disposed for an amount lower than its carrying amount at the date of disposal.
- 2.11. **Obsolete or redundant assets** will mean and include :
 - 2.11.1. assets which are not envisaged by the municipality to be required for the delivery of municipal Services;
 - 2.11.2. assets which have become uneconomical to repair, maintain, or operate excluding assets of symbolic importance or cultural significance;
 - 2.11.3. assets that have a negative impact on service delivery of the municipality, the environment, or the community,
 - 2.11.4. assets that no longer support a directorate's service objective due to a change in type of service being delivered or the delivery method
 - 2.11.5. assets where the use has become uneconomical to continue due to the limited availability of spares or the cost of replacement parts exceed the reasonable value of the item.
 - 2.11.6. assets where the technology has been outdated and which can no longer be used for the purpose originally intended.

3. POLICY OBJECTIVES

- 3.1. The objectives of the Asset Disposal Policy are to:
 - 3.1.1. Ensure that only assets that do not provide the minimum level of basic municipal services are disposed of.
 - 3.1.2. Ensure that assets are not disposed when the disposal of the asset or the terms of the disposal of the asset could disadvantage the municipality or community financially or otherwise.
 - 3.1.3. Ensure that all disposals are, in terms of section 14 (5) of the Municipal Finance Management Act (Act No. 56, 2003), fair, equitable transparent, competitive, and consistent with the Supply Chain Management Policy of the municipality.



4. PRESCRIPTIVE/LEGAL FRAMEWORK

- 4.1. This policy must comply with all relevant legislative requirements including:
 - 4.1.1. The constitution of the Republic of South Africa, 1996
 - 4.1.2. Municipal Systems Act 32 of 2000
 - 4.1.3. Municipal Finance Management Act 56 of 2003
- 4.2. This policy does not overrule the requirements to comply with other policies such as:
 - 4.2.1. Supply Chain Management Policy
 - 4.2.2. Asset Management Policy
 - 4.2.3. Fleet Management Policy
 - 4.2.4. Insurance Policy
 - 4.2.5. Security Policy
 - 4.2.6. Facilities Management Policy
 - 4.2.7. Land Policy
 - 4.2.8. Human Resources Development Plan and Strategy

5. POLICY APPLICATION

- 5.1. This policy applies to all Ugu District Municipality's permanent and temporary employees: internal or external contractors who utilise the municipality's assets.

6. POLICY PRINCIPLES

6.1. PLANNING FOR AND IDENTIFICATION OF ASSETS TO BE DISPOSED

- 6.1.1. The Asset Management unit within the Budget Treasury Office (in consultation with the user departments) are responsible for the strategic planning for the disposal of surplus, redundant, or obsolete assets that hinders the municipality from delivering services efficiently and effectively
- 6.1.2. Planning for disposals must be conducted by the assets unit within the Budget Treasury Office on an annual basis and revised on quarterly basis. The planning should involve a detailed assessment of assets identified as surplus, redundant, or obsolete by the assets unit within the Budget Treasury Office.
- 6.1.3. Planning for disposals of surplus, redundant, or obsolete by the assets unit within the Budget Treasury Office the means ensures that disruption to their service delivery is minimised and the returns from the assets is maximised by selecting the appropriate time in the assets life cycle to dispose.

6.2. ASSESSING ASSETS FOR DISPOSALS

- 6.2.1. The Disposal Committee is responsible for assessing the disposals proposed by the assets unit within the Budget Treasury Office. The Disposal Committee shall also consider the following factors:
 - 6.2.1.1. Whether there are net disposal benefits, either in financial or other forms.
 - 6.2.1.2. Whether there are secondary service obligations associated with the asset which dictates its retention.
 - 6.2.1.3. Whether a disposal can be carried out without adverse impacts on the physical environment.



- 6.2.2. In assessing the benefits of disposal, the advantages and disadvantages for the whole municipality must be considered.
- 6.2.3. Assets that have been identified as surplus may need to be retained due to heritage, social, environmental considerations, or any other requirements.
- 6.2.4. The symbolic importance and the cultural significance of assets should also be considered when assessing the disposal of the asset.
- 6.2.5. The Disposal Committee should consider the advantages of engaging experts where necessary.
- 6.2.6. When disposing of the asset, consideration must be given to the costs of continued ownership. Examples of cost of continued ownership include:
 - 6.2.6.1. Insurance
 - 6.2.6.2. Maintenance
 - 6.2.6.3. Storage costs
 - 6.2.6.4. Operating costs
 - 6.2.6.5. Staffing costs
- 6.2.7. Disposals need not always be for a financial gain. Other opportunities and gains should also be taken into consideration, for example:
 - 6.2.7.1. Swapping one asset for another
 - 6.2.7.2. Construction of a facility for the municipality in return for the asset.

6.3. RECOMMEND ASSETS FOR DISPOSAL

- 6.3.1. Disposal Committee shall be responsible to meet as and when necessary to assess and consider disposal lists/items submitted by proposed by the assets unit within the Budget Treasury Office.
- 6.3.2. Disposal Committee shall make recommendation for disposal, inclusive of disposal method, to Council for approval.

6.4. OBTAIN APPROVAL FOR DISPOSAL

- 6.4.1. The recommended by the Disposal Committee shall be presented to Council
- 6.4.2. Council upon consideration of the recommendation shall approve the disposal of the assets in the manner as recommended.
- 6.4.3. The final approval of the disposal shall be conducted at a meeting in terms of the Municipal Finance Management Act (Act No. 56, 2003) and decisions taken shall be documented for future reference by the assets unit within the Budget Treasury Office.

6.5. METHODS TO DISPOSE OF THE ASSET

- 6.5.1. Disposal of an asset should be performed in a manner which satisfies the following objectives:
 - 6.5.1.1.1. The disposal, where being effected, through a sale, should take place on an equitable basis. There should be an equal opportunity for all to purchase the asset. The best possible return for the municipality must be achieved.
 - 6.5.1.1.2. Any adverse environmental impacts should be avoided.
 - 6.5.1.1.3. Movable assets are to be sold either by way of written price quotations, competitive bidding process, and auction or at market related prices, whichever is the most advantages.
 - 6.5.1.1.4. Immovable property is to be sold at market related prices except when public interest or the plight of the poor demand otherwise.



- 6.5.2. The following methods of disposal could be used to achieve the objectives mentioned above:

6.5.2.1. AUCTION

- 6.5.2.1.1. The benefits of an auction are as follows:

- 6.5.2.1.1.1. Process is more straightforward.
- 6.5.2.1.1.2. Process is open to public scrutiny.
- 6.5.2.1.1.3. In some circumstances an auction may generate a higher price

6.5.2.2. DIRECT NEGOTIATIONS

- 6.5.2.2.1. Disposal of assets by direct negotiations with one possible interested party should be the exception rather than the rule.
- 6.5.2.2.2. When the sale by auction has failed due to lack of demand or unacceptable offers being received; and it has been established that further efforts to dispose of the asset by auction are unlikely to succeed, direct possible negotiations with one possible interested party shall be allowed.

6.5.2.3. DONATION

- 6.5.2.3.1. The following types of organisations shall be considered for municipal assets to be donated to:
 - 6.5.2.3.1.1. Registered welfare or Charitable Organisations
 - 6.5.2.3.1.2. Schools catering for learners who are handicapped, or disabled, or are learners with special needs.
 - 6.5.2.3.1.3. Schools within the jurisdiction of the District, as identified by the Office of the Mayor
- 6.5.2.3.2. Donation of municipal assets shall be applicable to the following assets:
 - 6.5.2.3.2.1. Obsolete furniture and redundant equipment
 - 6.5.2.3.2.2. Computer equipment
 - 6.5.2.3.2.3. Motor vehicles

6.5.2.4. THEFT/LOSS/DAMAGE

- 6.5.2.4.1. Involuntary disposal of an assets may take place such as theft, loss or damage.
- 6.5.2.4.2. All stolen/lost/damaged asset shall be regarded as disposed and shall be reported to the disposal committee for consideration.
- 6.5.2.4.3. In the event of a stolen/lost/damaged asset, the affected staff member should, in accordance with the insurance policy, report the incident to the insurance unit within the assets unit.
- 6.5.2.4.4. Any insurance pay-outs pertaining to the stolen/lost/damaged shall be treated as proceeds

6.5.2.5. DESTRUCTION

- 6.5.2.5.1. Assets which cannot be disposed in any other method as stated above may be destroyed in any environmentally friendly method.

6.5.2.6. TRANSFER TO ANOTHER ORGAN OF STATE

- 6.5.2.6.1. An asset may be transferred to another state organ as a result of newly established municipal boundaries as per the Municipal Demarcation Act 27 of 1998. The demarcation process can result in assets of the municipality no longer being within the newly set boundaries of the municipality thus necessitating transfer.



- 6.5.2.6.2. A decision endorsed by council may be taken to transfer an asset to another organ of state to assist it in executing its duty to deliver services to the public.

6.5.2.7. OTHER METHOD OF DISPOSAL

- 6.5.2.7.1. Any other proposed method of disposal shall be communicated to the assets unit in the Budget Treasury Office for submission to the disposal committee for approval.

6.6. ACCOUNTING FOR THE DISPOSED ASSET

- 6.6.1. When an asset is disposed of the cost of the asset and the accumulated depreciation recorded in the statement of financial position need to be reversed to the statement of financial performance a profit and loss on disposal of asset account. This will result in a debit in the statement of financial performance equal to the asset's carrying value.
- 6.6.2. The total proceeds to be received from the disposal of the asset need to be credited to the profit and loss on disposal of asset account. The account will now reflect a debit or credit amount in the statement of financial performance equal to the profit and loss on disposal equal to the result of the calculation.
- 6.6.3. Note that depreciation will need to be calculated up to the date of disposal. If the disposal date is during a financial year, the depreciation needs to be calculated on a pro rata basis based on completed months of ownership or use. No depreciation is calculated for the asset after the disposal date.
- 6.6.4. At the disposal date the asset being disposed of needs to be derecognised from the fixed asset register of the municipality.
- 6.6.5. Other accounting and disclosure matters discussed in the Asset Management Policy Document of the municipality also need to be adhered to.

6.7. CALCULATION OF THE PROFIT AND LOSS ON DISPOSAL

- 6.7.1. Profits and losses on the sale of property, plant and equipment are calculated as follows, and are disclosed in total in the financial statements:
- 6.7.1.1. $\text{PROCEEDS less CARRYING VALUE equals PROFIT (If proceeds greater than carrying value), or LOSS (If proceeds less than carrying value)}$

7. ROLES AND RESPONSIBILITIES

7.1. ACCOUNTING OFFICER

- 7.1.1. Shall ensure that the municipality has and maintains a system of internal control of assets regarding the disposal of municipal assets; and
- 7.1.2. Shall ensure that the General Managers and their departments comply with this policy
- 7.1.3. Shall ensure that all items of property plant and equipment are insured immediately at least against fire and theft, and that all municipal buildings are insured at least against fire and allied perils.

7.2. GENERAL MANAGER (DEPARTMENTS)

- 7.2.1. Shall ensure that employees in their departments adhere to the approved Asset Disposal Policy.



- 7.2.2. Shall ensure that the Asset Manager is notified of all assets needing disposal in writing.
- 7.2.3. Shall ensure that employees who contravenes the operational procedure or who use the municipal assets negligence and for their personal gain are disciplined accordingly.
- 7.2.4. shall be directly responsible for the physical safekeeping of any asset controlled or used by the Department in question.
- 7.2.5. In exercising this responsibility, shall adhere to any written directives issued by the Municipal Manager to the Department in question, or generally to all Departments, regarding the disposal of the Municipality's assets.

7.3. ASSET MANAGER

- 7.3.1. Shall ensure that quarterly physical verification for movable assets are conducted where assets in need of disposal identified.
- 7.3.2. Shall ensure that annual physical verification for immovable assets are conducted where assets in need of disposal identified.
- 7.3.3. Shall liaise with user departments constantly regarding assets that needs to be disposed.
- 7.3.4. Shall ensure that the disposal committee is notified in writing of all the assets that needs to be considered for disposal
- 7.3.5. Shall be responsible for facilitating the disposal of the assets upon approval by council.

7.4. DISPOSAL COMMITTEE

- 7.4.1. The primary duties of the Committee include but are not limited to the following: -
 - 7.4.1.1. Assessing the disposals proposed by assets unit in the Budget Treasury Office. The Assets Disposal Committee shall consider the following factors in conducting its assessments:
 - 7.4.1.1.1. Whether the capital asset may be required for the municipality's own use at a later stage.
 - 7.4.1.1.2. Whether there are net disposal benefits, either in financial or other form.
 - 7.4.1.1.3. Whether there is secondary service obligations associated with the asset which dictates its retention.
 - 7.4.1.1.4. Whether a disposal can be carried out without adverse impacts on the physical environment.
 - 7.4.1.1.5. Whether any conditions/ limitations are attached to the asset and the consequences of non-compliance with those conditions.
 - 7.4.1.1.6. Consideration of the fair market value of the asset and the economic and community value.
- 7.4.2. Objectively evaluate the assets submitted for disposals and weigh disposal alternatives as per disposal procedure.
- 7.4.3. Review of the municipality's asset disposal process by
 - 7.4.3.1. Monitoring asset disposal decisions to verify compliance with procedures;
 - 7.4.3.2. Monitoring the implementation of asset disposal decisions
 - 7.4.3.3. Making recommendations to Policy Review Committee on amendments to Asset Management and Asset Disposal Committee.

7.5. ALL MUNICIPAL PERSONNEL:

- 7.5.1. Shall ensure that assets assigned to them are utilized effectively, efficiently, economically, and transparently
- 7.5.2. Shall notify the assets coordinators and assets management section of all obsolete, damaged, and stolen assets, without delay.
- 7.5.3. Shall make available the assets under their possession for verification by the assets management unit quarterly and annually.



- 7.5.4. Shall ensure that they comply with the operational procedures.

8. MONITORING AND EVALUATION

- 8.1. This Policy shall be monitored and evaluated by the General Manager: Budget Treasury Office and regular monitoring reports submitted to the Management Committee Meeting, Finance Portfolio Committee, Executive Committee, and Full Council Meetings

9. COMMENCEMENT OF THE POLICY

- 9.1. This Policy shall come into effect on the date of the adoption by the Ugu District Municipality Council.

10. AMENDMENT AND/OR ABOLITION

- 10.1. This policy may be amended or repealed by the Municipality through a Council Resolution.

11. COMPLIANCE AND ENFORCEMENT

- 11.1. Violation or non-compliance with this policy will give a just cause for disciplinary steps to be taken.

12. POLICY REVIEW

- 12.1. This Policy will be reviewed annually to ensure applicability and relevance.

13. APPEAL PROCESS/ GRIEVANCE PROCEDURE

- 13.1. All appeals or grievances should be addressed to the Manager: Assets for them to be addressed swiftly. Should the matter require the application of consequence management the Manager: Assets will then escalate the matter to Human Resource Section.



Records of Approval

Meeting	Date	Resolution
Review 2021/2022		
Policy Review Committee	20 January 2022	Recommended to MANCO
MANCO	24 January 2022	Recommended to Portfolio Committee on Finance
Portfolio Committee on Finance	03 February 2022	Recommended to EXCO
EXCO	06 March 2022	Recommended to Council
Council	26 May 2022	Approved
Review 2022/2023		
Policy Review Committee	10 February 2023	Recommended to MANCO
MANCO	24 April 2023	Recommended to Portfolio Committee on Finance
Portfolio Committee on Finance	16 May 2023	Recommended to EXCO
EXCO	17 May 2023	Recommended to Council
Council	25 May 2023	Approved
Review 2023/2024		
Policy Review Committee	14 February 2024	Recommended to MANCO
MANCO		
Portfolio Committee on Finance		
EXCO		
Council		

REVIEWED

By N.Msomi at 9:36 am, Feb 28, 2024

APPROVED

By N.Msomi at 12:55 pm, Mar 04, 2024





UGU DISTRICT MUNICIPALITY

Policy Custodian	BTO
Policy Name	Borrowing Policy
Policy Number	5/2/P
Status	Review
Date	2023/2024 FY
Approved by	Council
Date First Approved	28 June 2018
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Borrowing Policy

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PREAMBLE

Whereas section 230A of the Constitution of the Republic of South Africa, 108 of 1996 permits Municipalities to raise loan, in accordance with the Constitution. Chapter 6 of the Municipal Finance Management Act, Act 56 of 2003 prescribes the types of debt and conditions under which the Municipality may incur the said debt. Now therefore the Municipality sets out the guidelines and objectives for borrowing of funds.

1. INTRODUCTION

The Municipality sets itself the objective of becoming financially sustainable, ensuring basic levels of service delivery to the entire community. The entire service delivery gives rise to a large demand for building infrastructure, resulting to requirement of additional funding. Therefore, borrowing is an essential element to obtain additional funding sources to fund Municipal capital programmes.

2. DEFINITIONS

“Act” means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

“Disclosure statements” means a statement issued or to be issued by:

- a municipality which intends to incur debt by issuing municipal debt instruments; and
- a person who intends to incur debt by issuing securities backed by municipal debt.

“Financing agreement” means any loan agreement, lease, instalment, purchase arrangement under which a municipality undertakes to repay a long-term debt over a period of time.

“Lender” means a person who provides debt finance to the Municipality.

“Long term debt” means debt repayable by the Municipality over a period exceeding one (1) year.

“Municipal debt” means:

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

“Municipality” means Ugu District Municipality

“Security” means any mechanism intended to secure the interest of a lender or investor and includes any of the mechanisms mentioned.



“Short term debt” means debt that is repayable over a period not exceeding one (1) year.

3. Policy Objectives

The purpose and objectives of this Policy are to establish a borrowing framework for the Municipality and to set out the objectives, policies, statutory requirements and guidelines for the borrowing of funds, in order to:

- 3.1. Manage interest rate and credit risk exposure;
- 3.2. Maintain debt within specified limits and ensure adequate provision for the repayment of debt;
- 3.3. Ensure compliance with all Legislation and Council policy governing borrowing of funds.

4. Legislative Framework

All borrowings made by the Municipality shall be subject to the requirements of the Local Government section 6 of the Municipal Finance Act, Act 56 2003 (“the MFMA”) , section 230A of the Constitution of the Republic of South Africa, 108 of 1996 and the Municipal Regulations on Debt Disclosure (“the Disclosure Regulations”) made there under and published under GN R 492 in Government Gazette 29966 of 15 June 2007.

5. Policy application and Types of Debt

- 5.1. This Policy applies to the debt incurred by the Municipality through the issue of municipal debt instruments or in any other way.
- 5.2. Without deviating from the generality of the preceding subparagraph, this policy will apply:
 - 5.2.1. To any debt, whether short -term or long term.
 - 5.2.2. To any debt incurred pursuant to any financing agreement, which includes any of the following agreements under which the Municipality undertakes to repay a long-term debt over a period of time:
 - 5.2.2.1. Loan agreements.
 - 5.2.2.2. Leases.
 - 5.2.2.3. Instalment purchase contracts.
 - 5.2.2.4. Hire purchase arrangements.
 - 5.2.3. To any debt created by the issuance of municipal debt instruments, including:
 - 5.2.3.1. Any note.
 - 5.2.3.2. Bond; or
 - 5.2.3.3. Debenture; and
 - 5.2.4. To any contingent liability such as that created by guaranteeing a monetary liability or obligation of another.



6. Principles Guiding Borrowing Practices

The following principle shall guide the borrowing practices of the Municipality, namely:

- 6.1. Risk Management: The need to manage interest rate risk, credit risk exposure and to maintain debt within specified limits is the foremost objective of the borrowing policy. To attain this objective, diversification is required to ensure that the Chief Financial Officer prudently manages interest rate and credit risk exposure.
- 6.2. Cost of Borrowings: The borrowings should be structured to obtain the lowest possible interest rate, on the most advantageous terms and conditions, taking cognisance of borrowing risk constraints, infrastructure needs, and the borrowing limits determined by Legislation.
- 6.3. Prudence: Borrowings shall be made with care, skill, prudence and diligence. To this end, officials of the Municipality are required to:
 - 6.3.1. adhere to this policy, and other procedures and guidelines.
 - 6.3.2. exercise due diligence.
 - 6.3.3. prepare all reports in a timely fashion.
 - 6.3.4. ensure strict compliance with all Legislation and Council policy.

7. Roles and Responsibilities

The Municipal Manager, as Accounting Officer of the Municipality, shall be responsible for implementing this Policy, provided that he or she may delegate in writing any of his or her powers under this Policy to any other official of the Municipality.

The Office of Budget and Treasury Office through, Cash Management shall be responsible in implementation, monitoring and evaluation of the policy.

7.1 Internal Control

The Accounting Officer shall ensure that mechanisms, procedures and systems are put in place to ensure that:

1. Duties are separated in order to prevent fraud, collusion and other misconduct;
2. loan agreements and contracts are kept in proper safe custody;
3. there is a clear delegation of duties relating to the borrowing process;
4. senior officials check and verify all transactions;
5. transactions and repayments are properly documented;



Borrowing Policy

6. a Code of ethics and standards is established and adhered to;
7. procedures relating to the borrowing process are established.

7.2 National Treasury Reporting and Monitoring Requirements

The Municipality shall promptly submit all returns and reports relating to borrowings as required by National Treasury, including reports on the Municipality's external interest paid each month, and the quarterly itemization of all of its external borrowings.

7.3 Other Reporting and Monitoring Requirements

The Municipality shall on a monthly basis perform the following control and reporting functions relevant to borrowings:

1. Reconciliation of bank accounts.
2. Payment requisition verification and authorization.
3. Completion of South African Reserve Bank returns.
4. Maintain schedule of payment dates and amounts.
5. Complete National Treasury Cash Flow returns.
6. Submission of particulars of borrowings as required by Section 71 of Municipal Finance Management Act, Act 56 of 2003.
7. Perform analysis of ratios;
8. Scrutinise loan agreements to ensure compliance with loan covenants.

The Municipality shall on a quarterly basis perform the following control and reporting functions relevant to borrowings:

1. Submit National Treasury Borrowings return
2. Prepare debt schedules for reporting to the Executive Committee

8. Monitoring and Evaluation

8.1 Factors to be considered by the Cash Management Office, under Budget and Treasury Office when borrowing policy is evaluated and monitored

The Municipality shall consider the following factors when deciding whether to incur debt:

- 8.1.1 the type and extent of benefits to be obtained from the borrowing.
- 8.1.2 the length of time the benefits will be received.
- 8.1.3 beneficiaries of the acquisition or development financed by the debt;
- 8.1.4 the impact of interest and redemption payments on both current and forecast income.



Borrowing Policy

- 8.1.5 the current and future capacity of the Municipality's revenue base to pay for borrowings.
 - 8.1.5 other current and projected sources of funds.
 - 8.1.6 likely movements in interest rates for variable rate borrowings.
 - 8.1.7 competing demands for funds;
 - 8.1.8 timing of money market interest rate movements and the long-term rates on the interest rate curve.
- 8.2 The Municipality will, in general, seek to minimise its dependence on borrowings in order to minimise future revenue committed to debt servicing and redemption charges.

8.3 Sources of Borrowings

Subject to any particular determination of the Council of the Municipality, the Municipality may enter into financing agreements with:

- 8.3.2 Registered South African Banks.
- 8.3.3 The Development Bank of Southern Africa;
- 8.3.4 Vendors of goods acquired under instalment purchase contracts or hire purchase arrangements.
- 8.3.5 Any other institution approved by the Council from time to time.

Unless the Council of the Municipality specifically determines otherwise, the Municipality shall not incur any debt by the issuance of any municipal debt instruments.

8.4 Short-term Debt

8.4.1 The Municipality may incur short –term debt only in accordance with and in the circumstances contemplated in Section 45 of the MFMA.

In particular, the provisions of section 45 (1) of the MFMA must be noted, these requiring that the Municipality may incur short –term debt only when necessary to bridge:

- 8.4.2 Shortfalls within a financial year during which the debt is incurred, in expectation of specific and realistic anticipated income to be received within that financial year; or
- 8.4.3 Capital needs within a financial year, to be repaid from specific funds to be received from enforceable allocations or long-term debt commitments.

Furthermore, as required by section 45 (4) of the MFMA, the Municipality must pay off short term debt within the financial year.

8.5 Overdraft Facility



Borrowing Policy

8.5.1 Overdraft facilities are regulated by Section 45(3) of the MFMA.

8.6 Long Term Debt

8.6.1 The Municipality may incur long-term debt only in accordance with and in the circumstances contemplated in Section 46 of the MFMA.

8.6.2 Long-term debt may be incurred only for the purposes contemplated in Section 46(1) of the MFMA, namely:

8.6.3 Capital expenditure on property, plant or equipment to be used for the purpose of achieving the objects of local government, as set out in Section 152 of the Constitution; or

8.6.4 Re-financing existing long term debt, subject to section 46(5).

8.7 Refinancing

8.7.1 Short-term debt may not be renewed or refinanced where that would have the effect of extending the short-term debt into a new financial year.

8.7.2 The Municipality may borrow in order to refinance long-term debt subject to the conditions contained in Section 46(5) of the MFMA.

8.8 Early repayment of loans

8.8.1 No loans will be repaid before due date unless there is a financial benefit to the Municipality.

8.8.2 The Municipality shall therefore assess the nature and extent of any benefits of early repayment before it makes any such early repayment.

8.8.3 Cognisance must be taken of any early repayment penalty clauses in the initial loan agreement, as part of the assessment.

8.9 Debt Repayment Period

8.9.1 As far as is practical, cognisance must be taken of the useful lives of the underlying assets to be financed by the debt for purposes of determining the duration of the debt.

8.9.2 Should it be established that it is cost effective to borrow the funds for a duration shorter than that of the life of the asset, the Municipality should endeavour to negotiate terms for the loan agreement on a shorter duration.



8.10 Provision for Redemption of Loans

- 8.10.1 The Municipality may set up sinking funds to facilitate loan repayments, especially when the repayment is to be met by a bullet payment on the maturity date of the loan.
- 8.10.2 Such sinking funds may be invested directly with the Lender's Bank.
- 8.10.3 The maturity date and accumulated value of such investment must coincide with the maturity date and amount of the intended loan that is to be repaid.

8.11 Non-Repayment or Non-Servicing of Loan

- 8.11.1 The Municipality must honour all its loan obligations.
- 8.11.2 Failure to effect prompt payment may jeopardise the Municipality's credit rating and adversely affect the ability of the Municipality to raise loans in the future loans at favourable interest rates.
- 8.11.3 In addition to ensuring the timely payment of the loans, the Municipality must adhere to the covenants stipulated in the loan agreements, including, in particular, the following where applicable:
 - 8.11.4 furnishing audited annual financial statements.
 - 8.11.5 maintaining long-term credit rating.
 - 8.11.6 reporting of material changes in financial position of the Municipality.

8.12 Borrowing for Investment Prohibited

The Municipality shall not under any circumstances borrow funds for the purposes of investing them.

8.13 Front-Loading Prohibited

The Municipality (shall only under the following specific conditions borrow funds) for the purposes of funding grant funded projects in advance and use future grants as security for the repayment of such advances.:

Approval from Grantor, inclusive of undertaking in writing that such approval will not, in any way, diminish the chances of the Municipality qualifying for such grant.



Resolution of Council approval

Conclusion of Agreement, to which Municipality, Grantor and relevant Treasury are Parties.

8.14 Security

8.14.1 Section 48 of the MFMA provides that the Municipality may provide security for any of its debt obligations in any of the forms referred to in Section 48(2).

8.14.2 Such security shall be given only pursuant to a resolution of the Council, which resolution must comply with the provisions of Section 48(3), (4) and (5) of the MFMA.

8.15 Disclosure

8.15.1 Section 49 of the MFMA requires that any person involved in the borrowing of money by a municipality must, when interfacing with a prospective lender or when preparing documentation for consideration by a prospective investor Any Official involved in the securing of loans by the Municipality must, when interacting disclose all relevant information in that persons possession or within that person's knowledge that may be material to the decision of that lender or investor, and take reasonable care to ensure the accuracy of any information disclosed.

8.15.2 In addition, the Disclosure Regulations establish detailed requirements for the disclosure of information to prospective lenders and investors. Regulations 2, 3, 4, 5, 15, 16 and 17 are of particular importance to the Municipality, given the nature of the borrowings which it intends to make.

8.16 Guarantees

The Municipality may issue guarantees only in accordance with the provisions of Section 50 of the MFMA.

9 Commencement of Policy

Council approval

Sections 45(2) and 46(2) require that short-term debt and long-term debt respectively may be incurred only if:

A resolution of the Council, signed by the Mayor, has approved the debt agreement;

The Accounting Officer has signed the agreement or other document which creates or acknowledges the debt.



10 AMENDMENT AND/OR ABOLITION

10.1 This policy may be amended or repealed by the Municipality through a Council Resolution.

10.1 Related Policies

This Policy must be read in conjunction with the following other policies of the Municipality:

1. Budget Process Policy.
2. Cash Management and Investment Policy.
3. Virement Policy.

11 COMPLIANCE AND ENFORCEMENT

11.1 Violation or non-compliance with this policy will give a just cause for disciplinary steps to be taken.

12 POLICY REVIEW

12.1 This Policy will be reviewed annually to ensure applicability and relevance.



Records of Approval

Meeting	Date	Resolution
Review 2021/2022		
Policy Review Committee	20 January 2022	Recommended to MANCO
MANCO	24 January 2022	Recommended to Portfolio Committee on Finance
Portfolio Committee on Finance	03 February 2022	Recommended to EXCO
EXCO	06 March 2022	Recommended to Council
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Review 2023/2024		
Policy Review Committee	14 February 2024	Recommended to MANCO
MANCO		
Portfolio Committee on Finance		
EXCO		
Council		

REVIEWED

By N.Msomi at 9:34 am, Feb 28, 2024

APPROVED

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UGU DISTRICT MUNICIPALITY

Policy Custodian	BUDGET TREASURY OFFICE
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Policy Number	2/5/P
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Date First Approved	28 June 2018
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PREAMBLE

This Policy will serve as a guideline for the effective management of the Municipal budgetary processes, in order to attain the strategic objectives of the Municipality within the ambits of the applicable legislation and shall apply to all departments within the Municipality.

1. INTRODUCTION

Council has considered the guidelines distributed by National Treasury to local government which detail the processes and formats to be followed when preparing the budget policy. The Municipality shall comply with the provisions of this Policy in the compilation of each of its budgets.

2. DEFINITIONS

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

- 2.1. **“Accounting Officer”** means the Municipal Manager of Ugu District Municipality.
- 2.2. **“Allocation”** means –
 - 2.2.1. a municipality's share of the local government's equitable share referred to in Section 214(l) (a) of the Constitution;
 - 2.2.2. an allocation of money to a municipality in terms of Section 214(1) (c) of the Constitution;
 - 2.2.3. an allocation of money to a municipality in terms of a provincial budget; or
 - 2.2.4. any other allocation of money to a municipality by an organ of state, including by another municipality, otherwise than in compliance with a commercial or other business transaction.
- 2.3. **“Annual Division of Revenue Act”** means the Act of Parliament, which must be enacted annually in terms of Section 214(1) of the Constitution.
- 2.4. **“Approved budget”** means an annual budget -
 - 2.4.1. approved by a municipal Council, or
 - 2.4.2. includes such an annual budget as revised by an adjustments budget in terms of section 28 of the MFMA.
- 2.5. **“Budget-related policy”** means a policy of a municipality affecting or affected by the annual budget of the Municipality, including -
 - 2.5.1. the tariffs policy, which the Municipality must adopt in terms of Section 74 of the Municipal Systems Act;
 - 2.5.2. the rates policy which the Municipality must adopt in terms of Section 3 of the Municipal Property Rates Act;
 - 2.5.3. the credit control and debt collection policy, which the Municipality must adopt in terms of Section 96 of the Municipal Systems Act;
- 2.6. **“Budget year”** means the financial year of the Municipality for which an annual budget is to be approved in terms of Section 16(1) of the MFMA;
- 2.7. **“Chief Financial Officer”** means the Chief Financial Officer of Ugu District Municipality;
- 2.8. **“Council”** means the Council of Ugu District Municipality;



- 2.9. "Current year"** means the financial year, which has already commenced, but not yet ended;
- 2.10. "Delegation"** in relation to a duty, includes an instruction or request to perform or to assist in performing the duty;
- 2.11. "Financial Statements"** means statements consisting of at least -
- 2.11.1. a statement of financial position;
 - 2.11.2. a statement of financial performance;
 - 2.11.3. a cash-flow statement;
 - 2.11.4. any other statements that may be prescribed; and
 - 2.11.5. any notes to these statements;
- 2.12. "Financial year"** means a twelve months period commencing on 1 July and ending on 30 June each year;
- 2.13. "Fruitless and wasteful expenditure"** means expenditure that was made in vain and would have been avoided had reasonable care been exercised;
- 2.14. "Irregular expenditure",** means –
- 2.14.1. expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the MFMA Act, and which has not been condoned in terms of Section 170 of the MFMA;
 - 2.14.2. expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of that Act;
 - 2.14.3. expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act 20 of 1998); or expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law, but excludes expenditure by a municipality which falls within the definition of "unauthorised expenditure";
- 2.15. "Investment"** in relation to funds of a municipality, means -
- 2.15.1. the placing on deposit of funds of a municipality with a financial institution; or
 - 2.15.2. the acquisition of assets with funds of a municipality not immediately required, with the primary aim of preserving those funds;
- 2.16. "long-term debt"** means debt repayable over a period exceeding one year;
- 2.17. "Mayor"** means the Mayor of Ugu District Municipality;
- 2.18. "Municipality"** refers to Ugu District Municipality
- 2.19. "National Treasury"** means the National Treasury established by Section 5 of the Public Finance Management Act;



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2.20. “Official” means -

- 2.20.1. an employee of a municipality or municipal entity;
- 2.20.2. a person seconded to a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity; or
- 2.20.3. a person contracted by a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity otherwise than as an employee;

2.21. “Overspending” means –

- 2.21.1. causing the operational or capital expenditure incurred by the Municipality during a financial year to exceed the total amount appropriated in that year's budget for its operational or capital expenditure, as the case may be;
- 2.21.2. in relation to a vote, means causing expenditure under the vote to exceed the amount appropriated for that vote; or
- 2.21.3. in relation to expenditure under Section 26 of the MFMA, means causing expenditure under that section to exceed the limits allowed in subsection (5) of this section;

2.22. “Quarter” means any of the following periods in a financial year:

- 2.22.1. 1 July to 30 September;
- 2.22.2. 1 October to 31 December;
- 2.22.3. 1 January to 31 March; or
- 2.22.4. 1 April to 30 June.

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

2.24. projections for each month of:

- 2.24.1. revenue to be collected, by source and vote; and
- 2.24.2. operational and capital expenditure, by vote;

2.25. service delivery targets and performance indicators for each quarter; and

2.26. any other matters that may be prescribed, and includes any revisions of such plan by the Mayor in terms of Section 54(l)(c) of the MFMA;

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

- 2.27.1. overspending of the total amount appropriated in the Municipality's approved budget;
- 2.27.2. overspending of the total amount appropriated for a vote in the approved budget;
- 2.27.3. expenditure from a vote unrelated to the department or functional area covered by the vote;
- 2.27.4. expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;



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- 2.27.5. spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or
- 2.27.6. a grant by the Municipality otherwise than in accordance with the MFMA;

2.28. "Virement" means transfer of funds between functions / votes

2.29. "Vote" means

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

3. POLICY OBJECTIVES

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

4. PRESCRIPTIVE/LEGAL FRAMEWORK

- 4.1.** In the process of preparing the Municipal budget, the Mayor, political office bearers (Councillors), Accounting Officer, Chief Financial Officer and other officials shall comply with all relevant legal requirements, including: -
 - 4.1.1. The Municipal Finance Management Act, 2003, ('the MFMA'),
 - 4.1.2. The Municipal Budget and Reporting Regulations published in terms of Section 168 of the MFMA.
 - 4.1.3. All relevant budget related Circulars and notices issued by the National Treasury.
 - 4.1.4. This Policy must be read in conjunction with the following budget-related policies of the Municipality:
 - 4.1.4.1. Indigent Support Policy
 - 4.1.4.2. Asset Management Policy
 - 4.1.4.3. Water Services Policy (incorporating the Tariff Policy)
 - 4.1.4.4. Cash, Banking and Investments Policy
 - 4.1.4.5. Supply Chain Management Policy
 - 4.1.4.6. Credit Control and Debt Collection Policy
 - 4.1.4.7. Funding and Reserves Policy
 - 4.1.4.8. Virement Policy
 - 4.1.4.9. Basic Services Policy

5. POLICY APPLICATION

- 5.1.** This Policy is applicable to the staff, the political office bearers and the communities, both future and present, of the Ugu District Municipality.



6. POLICY PRINCIPLES

- 6.1.** Section 215 (1) of the Constitution of the Republic of South Africa states that National, provincial and municipal budgets and budgetary processes must promote transparency, accountability and the effective financial management of the economy, debt and the public sector. It also states in S215 (3), that Budgets in each sphere of government must contain:
- 6.1.1. Estimates of revenue and expenditure, differentiating between capital and current expenditure;
 - 6.1.2. Proposals for financing any anticipated deficit for the period to which they apply; and
 - 6.1.3. An indication of intentions regarding borrowing and other forms of public liability that will increase public debt during the ensuing year.
- 6.2.** Section 26(h) of the Municipal Systems Act (Act 32 of 2000) requires a municipality's Integrated Development Plan to reflect a financial plan, which must include a budget projection for at least the next three years (Medium Term Expenditure Framework);
- 6.3.** Section 21 of the Municipal Finance Management Act (Act 56 of 2003) prescribes the function of the Mayor who must coordinate the processes for preparing the annual budget and for the reviewing of the municipality's Integrated Development Plan and budget related policies and to ensure that any revisions are mutually consistent and credible;
- 6.4.** Section 16 of the Municipal Finance Management Act, requires the municipal council to approve an annual budget for the municipality before the start of the financial year;
- 6.5.** The Minister with the concurrence of the Minister for Provincial and Local Government, has in terms of Section 168 of the Municipal Finance Management Act issued the Municipal Budget and Reporting Regulations which aim to secure sound and sustainable management of the budgeting and the reporting practices of the municipalities by establishing uniform norms and standards and other requirements for ensuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting processes; Now therefore, the Council of Ugu District Municipality adopts the Budget Policy as set out in this document.

7. ROLES AND RESPONSIBILITIES

7.1 Role of Council

- 7.1.1. Must provide political leadership and direction.
- 7.1.2. Play an oversight role by approving budget related policies and ensuring that the priorities are reflected in the budget. (Council may not delegate approval of budgets and policies)
- 7.1.3. Approve the Integrated Development Plan, the Annual Budgets and the Service Delivery Budget Implementation Plan.
- 7.1.4. Monitor the outcomes of the implementation of the policies and budgets.

7.2 Role of the Mayor

- 7.2.1. Provide general political guidance over the budget process and the priorities that must guide the preparation of the budget. (Section 53, MFMA)
- 7.2.2. Prepare and table a schedule of key deadlines for the preparation, tabling and approval of the budget, annual review of the IDP and the consultative process. (Section 21, MFMA)
- 7.2.3. Take all reasonable steps to ensure that the Municipality approves its annual budget before the start of the financial year and report to the Municipal Council and the MEC for finance in the province any delays in the tabling of the annual budget. (Section 53, MFMA)



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- 7.2.4. Must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in Section 53, MFMA

7.3 Role of the Accounting Officer

- 7.3.1. Assist the Mayor in performing budgetary functions assigned to him/her in terms of Chapter 4 & 7 of the MFMA and to provide administrative support, resources and information necessary for the performance of those functions. (Section 68, MFMA)
- 7.3.2. Is responsible for the implementation of the approved budget and must take all reasonable steps to ensure that the spending of funds is in accordance with the budget and is reduced as necessary when the revenue is anticipated to be less than the projected in the budget.
- 7.3.3. Ensure that revenue and expenditure are properly monitored.
- 7.3.4. Must prepare an adjustments budget and submit it to the Mayor for consideration and tabling in the Municipal Council when necessary.
- 7.3.5. Report to the Municipal Council any shortfalls in budget revenue, overspending and necessary steps taken to prevent shortfalls and overspending.
- 7.3.6. Submit to the Mayor actual revenue, borrowings, expenditure and where necessary report variances on projected revenue and the budget.

7.4 Role of the Chief Financial Officer (CFO)

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



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- 7.4.6. In preparing the operating budget, the Chief Financial Officer shall determine the number and type of votes to be used and the line-items to be shown under each vote, provided that in so doing the Chief Financial Officer shall properly and adequately reflect the organizational structure of the Municipality, and further in so doing shall comply – in so far as the organizational structure permits – also with the prescribed budget format of National Treasury
- 7.4.7. Must perform all budgeting and other duties as delegated by the Accounting Officer in terms of Section 79, MFMA.
- 7.4.8. The Chief Financial Officer shall determine the depreciation expenses to be charged to each vote, the apportionment of interest payable to the appropriate votes, the estimates of withdrawals from (claims) and contributions to (premiums) the self-insurance reserve, and the contributions to the provisions for debt impairment, accrued leave entitlements and obsolescence of stocks
- 7.4.9. The Chief Financial Officer shall further, with the approval of the Mayor and the Accounting Officer, determine the recommended contribution to the asset financing reserve and any special contributions to the self-insurance reserve.
- 7.4.10. The Chief Financial Officer shall also, again with the approval of the Mayor and the Accounting Officer, and having regard to the Municipality's current financial performance, determines the recommended aggregate growth factor(s) according to which the budgets for the various votes shall be drafted.
- 7.4.11. The Chief Financial Officer shall compile monthly budget reports, with recommendations, comparing actual results with budgeted projections, and the heads of departments shall timeously and adequately furnish the Chief Financial Officer with all explanations required for deviations from the budget. The Chief Financial Officer shall submit these monthly reports to the Mayor, Finance Portfolio and Executive Committee, and all other prescribed parties, in accordance with the prescriptions of the Municipal Finance Management Act.
- 7.4.12. The Chief Financial Officer shall provide technical and administrative support to the Mayor in the preparation and approval of the annual and adjustment budgets, as well as in the consultative processes, which must precede the approval of such budget.
- 7.4.13. The Chief Financial Officer shall ensure that the annual and adjustments budgets comply with the requirements of the National Treasury, reflect the budget priorities determined by the Mayor, are aligned with the IDP, and comply with all budget-related policies, and shall make recommendations to the Mayor on the revision of the IDP and the budget-related policies where these are indicated.
- 7.4.14. The Chief Financial Officer shall make recommendations on the financing of the draft capital budget for the ensuing and future financial years, indicating the impact of viable alternative financing scenarios on future expenses, and specifically commenting on the relative financial merits of internal and external financing options.
- 7.4.15. The Chief Financial Officer shall determine the basis for allocating overhead expenses not directly chargeable to votes. The expenses associated with the democratic process shall be allocated to a separate vote and shall not be charged out as an overhead.
- 7.4.16. The Chief Financial Officer shall ensure that the cost of indigent relief is separately reflected in the appropriate votes.
- 7.4.17. The Chief Financial Officer shall ensure that the allocations from other organs of state are properly reflected in the annual and adjustments budget, and that the estimated expenses against such allocations (other than the equitable share) are appropriately recorded.

7.5 Role of Senior Managers & Other Officials



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- 7.5.1.** Each Senior Manager and each Municipal official exercising financial management responsibilities must take all reasonable steps within his/her area of responsibility to ensure that the financial resources of the Municipality are utilized effectively, efficiently, economically, and transparently.
- 7.5.2.** Must prevent unauthorized, irregular, and fruitless or wasteful expenditure and other losses within his/her department.
- 7.5.3.** Must ensure that all revenue due to the Municipality is collected.
- 7.5.4.** Must ensure that all information required by the Accounting Officer for compliance with the provisions of the Acts is timeously submitted.

7.6 Role of the Budgeting Steering Committee

- 7.6.1** The Municipal Budget and Reporting regulations chapter 2 requires the mayor to establish a Budget steering comprising of the following members:
 - 7.6.1.1. The mayor – Chairperson
 - 7.6.1.2. The Speaker
 - 7.6.1.3. The Whips of Political Parties
 - 7.6.1.4. The Accounting Officer (Municipal Manager)
 - 7.6.1.5. The Chief Financial Officer
 - 7.6.1.6. The IDP Manager
 - 7.6.1.7. The Manager Budget Office and,
 - 7.6.1.8. Members of Senior Management (Top Management)

7.7 The role of the Committee shall be:

- 7.7.1. To assist the Mayor in carrying out his/her statutory roles and responsibilities in accordance with Section 52 and Section 53 of the MFMA.
- 7.7.2. To provide technical assistance to the Municipal political office bearers during policy formulation and to assist priority determination.
- 7.7.3. To interrogate and make recommendations on the adoption of the Annual Budget, the Service Delivery and Budget Implementation Plan (SDBIP), Section 71 monthly budget statements and Section 72 Midyear budget and performance report and the Adjustments Budget.
- 7.7.4. To evaluate the progress report of the Accounting Officer with regard to the financial year end closure and compilation of the Municipal audit file.
- 7.7.5. To evaluate progress report on the statutory audit by the office of the Auditor General.
- 7.7.6. To exercise oversight in the compilation of the Annual Report.
- 7.7.7. To evaluate action plans from the Accounting Officer on corrective measures to be taken on issues raised by the Auditor General.
- 7.7.8. To evaluate and recommend payment of Annual Performance Bonuses to the Accounting Officer and Senior Management after the annual report has been adopted by Council on 31 January each year.
- 7.7.9. Council may adopt its existing Finance Portfolio Committee as its Budget and Steering Committee.

7.8 Role of the Budget and Treasury Office:

- 7.7.1. To assist the Accounting Officer in tabulating key time frames for the Budget Process.
- 7.7.2. To provide guidance to the Accounting Officer and Senior Managers during the budget preparation process in accordance with National Treasury MFMA Reforms.



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- 7.7.3. To consolidate departmental Capital and Operating budgets.
- 7.7.4. To consolidate departmental Section 71 monthly budget statements, quarterly returns and the Midyear monitoring report and submit to the Finance Portfolio Committee.
- 7.7.5. To report any unauthorized, irregular, fruitless and wasteful expenditure, or any deviations from the approved budget to the Finance Portfolio Committee.
- 7.7.6. To assist the Accounting Officer in implementing recommendations of the Finance Portfolio Committee.
- 7.7.7. To manage the administrative operations of the Budget and Treasury Office to ensure full compliance with the MFMA and any issued guidelines or Circulars from National Treasury.

7.9 Delegation of roles and responsibilities:

- 7.9.1. All delegations by the Mayor to the Accounting Officer, Mayor to the members of the Finance portfolio Committee, the Accounting Officer to the Chief Financial Officer and other Senior Managers, of their roles, duties, and responsibilities as per the MFMA:
 - 7.9.1.1. Must be in writing,
 - 7.9.1.1. Are subject to the limitations as may be imposed by the Act,
 - 7.9.1.2. Does not absolve the Mayor, the Accounting Officer or the Senior Officials of the responsibilities concerning the exercise of the delegated power or the performance of the fiduciary duties, and
 - 7.9.1.3. Should not be indefinite and must be reviewed annually.

8. ANNUAL SCHEDULE OF KEY DEADLINES

- 8.1. The deadline dates for all budget preparation processes shall be as per the approved Process Plan as tabled by the Mayor to Council in August.
- 8.2. Such Process Plan shall indicate the target dates for the draft revision of the Integrated Development Plan and the preparation of the annual budget for the ensuing financial year, which target dates shall follow the prescriptions of the MFMA, for the submission of all the budget-related documentation to the Mayor, Finance Committee, Executive Committee and Council.
- 8.3. Such time schedule shall provide for the deadlines set out in Appendix A, unless the Mayor, after consultation with the Chief Financial Officer, determines otherwise and provided that the requirements of the MFMA shall at all times be adhered to.
- 8.4. The Chief Financial Officer shall be responsible for ensuring that the time schedule is adhered to.

9. BUDGET PRINCIPLES

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

- 9.1. Move towards the achievement of goals and objectives of the Municipality within the constraints of the available resources.
- 9.2. Consider the Priorities as identified in the State of the Nation Address, State of the Province Address and the State of the District Address.
- 9.3. Reflect the priorities contained in the Municipality's Integrated Development Plan.
- 9.4. Be credible and fully funded from realistically anticipated revenues.



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- 9.5. Consider any resolutions taken by Council or the Executive Committee in the previous Budget Year which have financial implications on the current Medium- Term Revenue Expenditure Framework.
- 9.6. The basis of measurement and accounting policies underpinning the Municipality's annual financial statements must be the same as those used in the preparation of the Municipality's annual budget and supporting documentation.
- 9.7. Expenses may only be incurred in terms of the approved annual budget (or adjustments budget) and within the limits of the amounts appropriated for each vote in the approved budget.

10. FUNDING OF EXPENDITURE

- 10.1. A budget must be funded only from:
 - 10.1.1. Realistically anticipated revenues to be collected.
 - 10.1.2. Cash-backed accumulated surpluses from previous years not committed for other purposes.
 - 10.1.3. Borrowed funds, but only for revenue-generating capital projects; and
 - 10.1.4. Grants and subsidies as per DORA.

11. THE CAPITAL BUDGET

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

12. OPERATING REVENUE

- 12.1. The Operating revenue must include:
 - 12.1.2. Estimates for all municipal revenue sources and;
 - 12.1.3. All gazetted grants and subsidies, donations and subsidies in kind or emergency relief funding.
- 12.2. The allocation of interest on investments shall be budgeted for in terms of the cash, banking and investment policy.
- 12.3. In preparing the revenue budget, the Municipality shall strive to maintain the aggregate revenues from service charges at not less than 90% of the aggregate revenues net of operating grants.
- 12.4. The proposed increases in tariffs should be affordable, i.e. in line with CPIX, and should take into.
- 12.5. Tariff increases must respond to the population growth rate and the Division of Revenue Act.
- 12.6. The water and sanitation charges shall be calculated and levied as per the reviewed Water and Sanitation Tariffs Policy for that MTREF.
- 12.7. All tariffs shall be published in a local newspaper and placed on the Municipal website and at the entrance of Ugu offices at least 30 days before the start of the financial year.



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12.8. All tariffs must be gazetted in the Government Gazette before the 1st July each year.

13. OPERATING EXPENDITURE

13.1. The Municipality shall budget in each annual and adjustments budget for the contribution to:

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

13.2. The operating budget shall duly reflect the impact of the capital component on:

- 13.2.1. Depreciation and impairment charges;
- 13.2.2. Repairs and maintenance expenses;
- 13.2.3. Interest payable on external loans, and
- 13.2.4. Any other operating expenses associated with fixed assets.
- 13.2.5. The operating budget must be in the prescribed National Treasury Format.

14. SALARIES AND ALLOWANCES

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

15. PROVISION FOR MAINTENANCE

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

16. FINANCE CHARGES, DEPRECIATION, AND IMPAIRMENT

- 16.1. The Finance Charges payable by the Municipality shall be apportioned between departments or votes on the basis of the proportion at the last balance sheet date of the outstanding loan balances belonging to such department or vote to the aggregate outstanding loan balances. However, should Council decide to raise loans only for financing of fixed assets in a specified service or vote, finance charges shall be charged to or apportioned only between the departments or votes relating to such service.
- 16.2. The depreciation expenses shall be apportioned to each department based on the cost of assets allocated to that department. The depreciation method used shall be in terms of the Fixed Assets Management and Accounting Policies.



17. CONSULTATION ON TABLED DRAFT BUDGETS

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

18. APPROVAL OF THE ANNUAL BUDGET

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

19. PUBLICATION OF THE BUDGETS

- 19.1. In accordance with Section 22 of the MFMA, the Municipal Manager shall ensure that immediately after the annual budget is tabled in the Council:
- 19.1.1. The budget is made public in accordance with the provisions of Section 17 (3) of the Local Government Municipal Systems Act.
- 19.1.2. The budget is submitted to the National Treasury and Provincial Treasury in printed and electronic formats;
- 19.1.3. The budget is submitted to any prescribed organs of state and to other municipalities affected by it.

20. MONTHLY BUDGET REPORTS

- 20.1. The Chief Financial Officer shall compile monthly budget reports, with recommendations, comparing actual results with budgeted projections, and the heads of departments shall furnish the Chief Financial Officer with all explanations required for deviations from the budget.
- 20.2. The Chief Financial Officer shall submit these monthly reports to the Mayor, Finance Committee and Executive Committee, and all other prescribed parties, in accordance with the prescriptions of the Municipal Finance Management Act.

21. MONITORING AND EVALUATION

- 21.1. This Policy shall be monitored and evaluated by the General Manager: Budget and Treasury Office and regular monitoring reports submitted to the Management Committee Meeting, Finance Portfolio Committee, Executive Committee and Full Council Meetings.

22. COMMENCEMENT OF THE POLICY

- 22.1. This Policy shall come into effect on the date of the adoption by the Ugu District Municipality Council.

23. AMENDMENT AND/OR ABOLITION

- 23.1. This policy may be amended or repealed by the Municipality through a Council Resolution.

24. COMPLIANCE AND ENFORCEMENT

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



25. POLICY REVIEW

- 25.1. This Policy will be reviewed annually by the Budget Steering Committee prior to the commencement of the budget process to ensure compliance with any changes in legislation or any 'best practice' guidelines and MFMA Circulars as may be issued by National Treasury from time to time.



Records of Approval

Meeting	Date	Resolution
Review 2021/22		
Policy Committee	24 March 2021	Recommended to MANCO
Extended MANCO/MANCO	03 May 2021	Recommendation to Portfolio Committee on Finance
Portfolio Committee on Finance	06 May 2021	Recommendation to EXCO
EXCO	19 May 2021	Recommendation to Council
Council	27 May 2021	Recommendation to Approve the policy

Meeting	Date	Resolution
Review 2022/23		
Policy Committee	24 March 2023	Recommendation to MANCO
Extended MANCO/MANCO	08 May 2023	Recommendation to Portfolio Committee on Finance
Portfolio Committee on Finance	16 May 2023	Recommendation to EXCO
EXCO	17 May 2023	Recommendation to Council
Council	25 May 2023	Recommendation to Approve the policy

Meeting	Date	Resolution
Review 2023/24		
Policy Committee	14 February 2024	Recommendation to MANCO
Extended MANCO/MANCO		Recommendation to Portfolio Committee on Finance
Portfolio Committee on Finance		Recommendation to EXCO
EXCO		Recommendation to Council
Council		Recommendation to Approve the policy

REVIEWED*By N.Msomi at 10:27 am, Mar 07, 2024***APPROVED***By N.Msomi at 10:27 am, Mar 07, 2024*

ANNEXURE A: LEGAL REQUIREMENTS

MUNICIPAL FINANCE MANAGEMENT ACT

Section 15 Appropriation of funds for expenditure

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

Section 16 Annual budgets

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

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

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

Section 17 Contents of annual budgets and supporting documents

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

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

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

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

The budget must be accompanied by all the following documents:

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



BUDGET POLICY

Section 18 Funding of expenditures

The budget may be financed only from:

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

Section 19 Capital projects

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

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

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

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

Section 20 Matters to be prescribed

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

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

Section 21 Budget preparation process

The Mayor of the municipality must:

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



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

Section 22 Publication of annual budgets

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

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

Section 23 Consultations on tabled budgets

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

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

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

Section 24 Approval of annual budgets

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

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



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Section 25 Failure to approve budget before start of budget year

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

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

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

Section 27 Non-compliance with provisions of this chapter

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

Section 28 Municipal adjustments budgets

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

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

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

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

A municipality may authorize the utilization of projected savings on any vote towards spending under another vote.

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

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

An adjustments budget must contain all of the following:

- an explanation of how the adjustments affect the approved annual budget;
- appropriate motivations for material adjustments; and



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- an explanation of the impact of any increased spending on the current and future annual budgets.

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

Section 29 Unforeseen and unavoidable expenditure

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

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

Section 30 Unspent funds

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

Section 31 Shifting of funds between multi-year appropriations

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

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

Section 32 Unauthorised, irregular or fruitless and wasteful expenditure

Unauthorised expenses may be authorised in an adjustments budget.

Section 33 Contracts having future budgetary implications

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



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

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

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

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

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

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

Section 43 Applicability of tax and tariff capping on municipalities

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

- A determination promulgated on or before 15 March shall not take effect before 1 July of the same year.
- A determination promulgated after 15 March shall not take effect before 1 July of the following year.



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- A determination shall not be allowed to impair a municipality's ability to meet any annual or periodic escalations in the payments it must make in respect of any contract legally entered into by a municipality.

Section 53 Budget processes and related matters

The Mayor of the municipality must:

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

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

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

Section 68 Budget preparation

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

Section 69 Budget implementation

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

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

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

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



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Section 70 Impending shortfalls, overspending and overdrafts

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

Section 71 Monthly budget statements

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

This report must reflect the following:

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

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

Section 54 Budgetary control and early identification of financial problems

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

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

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

- promptly respond to and initiate the remedial or corrective steps proposed by the Municipal Manager, and



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- alert the MEC for Local Government and the Council of the municipality to the problems concerned.

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

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

If the Council has not approved its annual budget by the first day of the financial year to which it relates, or if the municipality encounters serious financial problems, the Mayor must immediately report this matter to the MEC for Local Government and may recommend a provincial intervention.

Section 72 Mid-year budget and performance assessment

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

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

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

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

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

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

Section 75 Information to be placed on websites of municipalities

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

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



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

Section 80 Establishment (of municipal budget and treasury office)

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

Section 81 Role of chief financial officer

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

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

Section 83 Competency levels of professional financial officials

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



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SUMMARISED TIMETABLE

NOTE: DATES IN BRACKETS ARE PUTATIVE

FINAL DATE	ACTION BY MUNICIPALITY	ACTION BY MUNICIPAL ENTITY
31 August	Table in council timetable for preparation of coming year's annual budget	-
20 January	-	Assess current year's budget performance and submit report to board of directors and municipality
25 January	Assess current year's budget performance	-
31 January	Table assessment report in council	-
31 January or earlier	-	Submit proposed budget for coming year to municipality
(31 January)	Consider municipal entity's proposed budget for coming year and make recommendations	-
(31 January or earlier)	Table municipal entity's adjustments budget for coming year	Submit adjustments budget for current year to municipality and make budget public
(Between 31 January and 31 March)	Table municipality's adjustments budget for current year and changes to service delivery targets and KPIs	-
(Between 31 January and 31 March)	Make public (adjustments budget and) revisions to service delivery and budget implementation plan for current year	-
Mid-March	-	Submit revised budget for coming year to municipality
31 March	Table municipality's draft budget for coming year	-

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31 March	Table municipal entity's revised budget for coming year	-
Immediately after 31 March	Make public draft budget for coming year and invite submissions from community, provincial treasury and others	-
FINAL DATE	ACTION BY MUNICIPALITY	ACTION BY MUNICIPAL ENTITY
Before 31 May	Respond to submissions and revise draft budget for coming year	-
31 May	Consider approval of budget for coming year and attendant resolutions	Approve revised budget for coming year and make budget public
30 June	Budget for coming year and attendant resolutions must be approved by 30 June. Approved budget of entity must be tabled.	-
Early June to early July: immediately after budget approved	Submit budget to national treasury and provincial treasury	-
Early June to early July: immediately after approval dates	Place on website annual budgets and all budget-related documents	-
Mid June to mid July: 14 days after budget approved	Finalise draft service delivery and budget implementation plan and draft performance agreements	-
Late June to late July: 28 days after budget approved	Approve service delivery and budget implementation plan	-
Late June to late July: 28 days after budget approved	Conclude performance agreements	-

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Mid July to mid August: 14 days after service delivery and budget implementation plan approved	Make public projections of revenues and expenses for each month of coming year, service delivery targets for each quarter, and performance agreements	-

DETAILED BUDGET TIMETABLE

Section of Municipal Finance Management Act No. 56 of 2003	Date by which action must be completed	Action required	Responsible party	Practical considerations
21(1)(b)	31 August	Mayor must at least 10 months before start of budget year table in council time schedule outlining key deadlines for - preparation, tabling and approval of annual budget - annual review of IDP - annual review of budget-related policies - tabling and adoption of any amendments to IDP and budget-related policies - any consultative processes forming part of foregoing	Mayor	Time schedule must either fit in with already scheduled council meetings or must indicate when special council meetings must be scheduled.
Section 88	20 January	Accounting officer of municipal entity must assess entity's budgetary and financial performance for first six months of financial year and submit assessment report to board of directors and parent municipality.		

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72(1), (2) and (3)	25 January	Accounting officer of municipality must assess budgetary and financial performance of municipality for first six months of financial year, make recommendations on whether adjustments budget necessary, and recommend revised projections for revenues and expenses. This assessment must be submitted to the mayor, national treasury and the provincial treasury (presumably immediately).	Accounting officer	
54(1)(f)	31 January	Mayor must submit accounting officer's report to council.	Mayor	Special council meeting may have to be scheduled.
87	31 January or earlier if so requested by parent municipality	Board of directors of municipal entity must submit to parent municipality proposed budget for entity for ensuing financial year.	Board of directors of entity	It is not clear to what person or structure in the parent municipality this budget must be submitted. However, it makes good sense for the council of the municipality to consider this budget at the same meeting that it considers the municipality's own proposed adjustments budget.
87	(31 January to mid-March)	Parent municipality must consider proposed budget, and make any necessary recommendations.		It is not clear what person or structure in the parent municipality must perform this action, but the council seems the logical party. It would also make sense for the council to consider this budget by 31 January.

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

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				when the draft annual budget for the next year is first tabled.
54(3)	(Between 31 January and 31 March)	Mayor must ensure that revisions to service delivery and budget implementation plan are “promptly” made public. (Note that no concomitant revision of performance agreements is evidently envisaged).	Mayor	Presumably the accounting officer must make these revisions for the mayor’s approval as part of the process of adjusting the annual budget. The deadline for these revisions must be by or as soon as possible after 31 January, but certainly not later than 31 March. See also 54(1) and (2).
87	100 days before start of financial year (approximately mid-March)	Board of directors of entity must consider recommendations, and if necessary, submit revised budget to parent municipality.	Board of directors of entity	
16(2)	31 March	Mayor must table (draft) annual budget of municipality at council meeting at least 90 days before start of budget year.	Mayor	Council meeting must be scheduled appropriately.
87	31 March	Mayor of parent municipality must table originally proposed or proposed revised budget (as case may be) of entity when (draft) annual budget of municipality first tabled.	Mayor	-
22(a) and 22(b)	Immediately after 31 March or earlier date if annual budget	Immediately after (draft) annual budget tabled in council, accounting officer must (1) make public budget and documents referred to in Section 17(3), and invite local community to submit representations in connexion with budget, and (2) submit annual budget	Accounting officer	

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	tabled before 31 March	in both printed and electronic formats to provincial treasury, and in either format to prescribed national and provincial organs of state and to other municipalities affected by the budget.		
23(2)	Before 31 May	Council must give mayor opportunity (1) to respond to submissions received on (draft) annual budget and attendant documentation and (2) to revise budget, if necessary, and table amendments for consideration by council.	Mayor and council	-
24(1) and (2)	31 May	Council must consider approval of annual budget, together with resolutions imposing rates and levies, setting tariffs, approving measurable performance objectives for revenue from each source and for each vote, approving any changes to IDP, and approving any changes to budget-related policies.	Council	Although council has until 30 June to approve budget, best practice will be to approve budget not later than 31 May.
87(4)	31 May	Board of directors of municipal entity must approve budget for coming year, having taken into account recommendations of council of parent municipality, and must make budget public.	Board of directors of municipal entity	
24(3)	(Immediate after approval date)	Accounting officer must submit approved annual budget to national treasury and provincial treasury.	Accounting officer	No time limit is specified for this action, and neither is the format in which the budget is to be submitted specified. Common sense dictates that the submission should be at least in electronic format and that it should be

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				made as soon as possible after the approval date.
25(1) and (2)	Within 7 days of date of council meeting which failed to approve annual budget	If council fails to approve annual budget at meeting scheduled in terms of Section 24, must reconsider budget within 7 days of date of such meeting. If necessary, process must be repeated until budget approved by 30 June.	Council	As province will intervene if budget not approved by 30 June, mayor, councillors and accounting officer must co-operate to ensure obstacles to approval timeously removed.
69(3)(a) and (b)	14 days after approval of annual budget (mid June to mid July)	Accounting officer must submit to mayor draft service delivery and budget implementation plan, and drafts of annual performance agreements for municipal manager and all senior managers.	Accounting officer	
53(1)(c)(ii)	Within 28 days after date annual budget approved (late June to late July)	Service delivery and budget implementation plan must be approved by mayor, including projections of revenues and expenses for each month, and service delivery targets and performance indicators for each quarter. (Note that though the mayor approves these targets and KPIs, only the council may change them and then only following the approval of an adjustments budget. See Section 54(1)(c)).	Mayor	-
53(1)(c)(iii)(aa) & (bb)	Within 28 days after date annual budget approved (late June to late July)	Mayor must take all reasonable steps to ensure that annual performance agreements for municipal managers and all senior managers are linked to measurable performance objectives approved with the budget and to the service delivery and budget	Mayor	No date is specified for the completion of this requirement, but the logical inference is that the date should not be much later than the date on which the service delivery and budget

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		implementation plan, and are concluded in accordance with Section 57(2) of the Municipal Systems Act.		implementation plan must be approved. See Section 53(3)(b).
16(1)	30 June	Annual budget must be approved by council	Council	-
53(3)(a) and (b)	14 days after approval of service delivery and budget implementation plan (mid-July to mid-August, depending on date plan approved)	Projections of revenues and expenses for each month and service delivery targets for each quarter (as set out in approved service delivery and budget implementation plan), and performance agreements of municipal manager and senior manager must be made public, and copies of performance agreements must be submitted to council and MEC for local government.	Mayor	Although this is not specified as a requirement, logic dictates that copies of the service delivery and budget implementation plan should also be submitted to council and the MEC.



UGU DISTRICT MUNICIPALITY

Policy Custodian	Budget and Treasury Office
Policy Name	Cash, Banking and Investment Policy
Policy Number	5/11/P
Status	Review
Date	2023/2024 FY
Approved by	Council
Date First Approved	28 June 2018
Date Last Approved	25 May 2023
Date for Next Review	2024/25 FY

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PREAMBLE

Whereas section 13 of the Local Government: Municipal Finance Management Act, 2003 (No. 56 of 2003) determines that a municipality must introduce an appropriate and effective cash management and investment arrangement; and whereas a bank, in accordance with the provisions of section 13 of the Act, has to disclose details regarding a municipalities' investments; and whereas councilors and officials, as trustees of public funds have an obligation to ensure that cash resources are managed as effectively, efficiently and economically as possible; now therefore the Ugu District Municipality adopt the cash and investment management policy set out in this document.

1. INTRODUCTION

Section 13(1) and (2) of the Local Government Municipal Finance Management Act, 2003 (Act No. 56 of 2003) requires that a municipality establish an appropriate and effective cash management and investment policy within which the municipality must (a) conduct its cash management and investments, and (b) invest money not immediately required, in accordance with any framework which may be prescribed. National Treasury has issued municipal investment regulations dated 1st April 2005 (Gazette no. 27431) which set out a framework within which all municipalities shall conduct their cash management and investments. This policy is consistent with the Act and the gazette.

2. DEFINITIONS

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

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

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

“Accounting Principles” mean stipulated guidelines to be followed.

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



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

“Accounts” mean statement of moneys received.

“Assignee” means a person with a delegated authority.

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

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

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

“Chief Financial Officer” means a person employed by the Municipality in terms of section 57 of the Systems Act as the Chief Financial Officer of the Municipality, and includes any person to whom the Chief Financial Officer has delegated or sub-delegated a power, function or duty in accordance with the system of delegation developed by the Accounting Officer in terms of section 79 of the Municipal Finance Management Act and section 59 of the Systems Act;

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

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

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

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

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

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

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

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

“Municipality” means the Ugu District Municipality.



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

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

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

3. OBJECTIVE OF THE POLICY

The purpose of this policy is to establish a cash management and investment framework for the Municipality and to set out the objectives, policies, statutory requirements, and guidelines. This includes defining levels of risk considered prudent for investing surplus funds. The objectives thereof are as listed below:

- 3.1 In terms of the Municipal Finance Management Act, 56 of 2003, Section 13(2): A municipality must establish an appropriate and effective cash management and investment policy in accordance with any framework that may be prescribed in terms of subsection (1) of the Municipal Finance Management Act, 56 of 2003.
- 3.2 An Accounting Officer has an obligation to ensure that cash resources are managed as effectively, efficiently and economically as possible. Competitive investment and effective cash management ensures both short term and long-term viability and sustainability of the Municipality. Hence, it is critical for the Municipality to have its own cash, banking and investment management policy located within the local government legislative framework. This Policy should be read and understood against this background.
- 3.3 The primary and ultimate goal of investing funds is to earn the safety of returns on investment principal, an amount invested whilst managing liquidity requirements and providing the highest return on investment at minimum risk, within the parameters of authorised instruments as per the Municipal Finance Management, Act 56 of 2003, Section 13(2)



4. PRESCRIPTIVE/LEGAL FRAMEWORK

Ugu District Municipality's Cash Management Policy has been developed with recognition of the macro and micro prescriptive context – within which it needs to comply, and policy imperatives of National and Provincial government; as indicated, but not limited to, below:

4.1 Ugu District Municipality's Integrated Development Plan.

4.1.1 The Cash & Investment Management Policy is in accordance with the requirements of section 13 of the Municipal Finance Management Act No 56 of 2003 and any further prescriptions made by the Minister of Finance.

4.1.2 Bank Account Administration: (Municipal Finance Management Act No. 56 of 2003– Section 7, 8, 9, 10, and 11)

4.1.3 The Local Government Municipal Systems Act, No 32 of 2000;

4.1.4 Municipal investment regulations 27431 Nr 8200 of April 2005.

4.1.5 Generally recognised accounting practices.

5 POLICY APPLICATION

The policy applies to all new and existing Cash and investments made by

5.1 Ugu District Municipality.

5.2 All investment managers acting on behalf of the Municipality in making or managing investments.

This policy shall also apply to all moneys and/or investments held by any bank or institution registered in terms of the bank act, at the effective date of this policy.



6 POLICY PRINCIPLES

6.1 KEY PRINCIPLES AND GUIDELINES PERTAINING TO CASH, BANKING AND INVESTMENT MANAGEMENT POLICY

- The Accounting Officer, assisted by the Chief Financial Officer, must take all reasonable steps to ensure:

6.1.1. That the Municipality's available working capital is managed effectively and economically in terms of the prescribed cash management and investment framework.

6.1.2. That the Municipality has and maintains a management, accounting and information system that accounts for all bank and investment accounts, receipting, withdrawals, cash management and investment transactions.

6.1.3. That, in the case of investments, such investments are valued in accordance with GRAP guidelines and standards.

6.1.4. That the municipality has and maintains a system of internal control over its bank and investment accounts, receipting, withdrawals, cash management and investment transactions.

6.1.5 The internal control procedures are in place.

6.1.6. Controls deemed most important include:

6.1.6.1 Control of collusion, separation of duties

6.1.6.2 Custodial safekeeping

6.1.6.3 Clear delegation of duties

6.1.6.4 Written confirmation of telephonic transactions

6.1.6.5 Minimising the number of authorised investment officials

6.1.6.6 Checking and verification by senior officials of all investments, which include Accounting Officer and Chief Financial officer.

7 ROLES AND RESPONSIBILITIES

7.1 BANKING ARRANGEMENTS



7.1.1 Opening of a Bank Account

7.1.1.1 Bank accounts must be opened in line with the provisions of Municipal Finance Management Act No. 56 of 2003 Chapter 3 (Part 1), ensuring the following but not limited to the following:

7.1.1.1.1 Every municipality must open and maintain at least one bank account in the name of the municipality.

7.1.1.1.2 A municipality must have a Primary account.

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

7.1.2.1 General Bank Account – normal municipal receipts and payments

7.1.2.2 External Financing Fund – to record loan receipts and accumulations towards the repayment of such loans.

7.1.2.3 Capital Replacement reserve – this reserve must be cash backed and therefore requires a separate bank account.

7.1.2.4 Unutilized Capital Receipts – this is to account for unutilised conditional grant monies and developer contributions, requires a separate bank account and must be cash backed.

7.1.2.5 Consumer deposits – this is to account for consumer deposits received and must be cash backed and requires a separate bank account.

7.1.2.6 A specific account will be identified as a primary bank account and all the allocations from national, provincial and other spheres of government will be deposited into this account.

7.1.2.7 Group Life Account- This account is for restricted funds, held by the Municipality for Minor beneficiaries, nominated by employees to receive funds upon death. The Municipality received these funds from an Insurance Company and released to Minors once they reach a stipulated age.

7.1.3 Management of a Bank Account

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

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



7.2 CASH MANAGEMENT

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

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

7.2.1.1 Receipting, and banking of and reconciliations of daily cash

7.2.1.2 Unallocated receipts/deposit registers

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

7.3 Cash Collection:

- 7.3.1 All monies due to the Municipality must be collected as soon as possible, either on or immediately after due date, and banked on a daily basis. Cash left in the safe can pose a security risk, could necessitate additional insurance coverage and does not earn any interest. Special deposits should be arranged for larger amounts to ensure that these are banked on the next working day they are received.
- 7.3.2 All monies collected by the Council must be banked in the primary bank account of the Municipality.
- 7.3.3 The respective responsibilities of the Chief Financial Officer and other Heads of Departments in this regard are defined in a procedure's manual approved by the Municipal Manager and the Chief Financial Officer.
- 7.3.4 It is important that all monies owing to the Council are correctly reflected in the debtors' system. The following control measures are necessary:
- 7.3.4.1 A well-managed debtors and banking control system will ensure that funds owed to the Council are received and banked; and



7.3.4.2 It is also important to review debt collection performance by comparing the debtors outstanding in relation to total revenue and then comparing this to previous financial years, in order to determine whether the debt collection process is deteriorating or improving.

7.3.5 The unremitting support of and commitment to the Municipality's Cash, Banking & Investment Management Policy, both by the Council and the Municipality's officials, is an integral part of proper cash collections, and by approving the present Policy the Council pledges itself to such support and commitment.

7.3.6 The municipality shall follow the guidelines as outlined on its Receipting and Banking standard operating procedures, which are binding to all officials. Annexure B

7.4 UNALLOCATED RECEIPTS

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

7.5 PAYMENT OF CREDITORS

7.5.1 Should the facility be available, payments should be done by electronic transfer (subject to strict controls).

7.5.2 When considering the time to pay a creditor, proper consideration must be given to the conditions of credit terms of payment offered.

If discounts are offered for early settlement, they must be properly considered and utilised.

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

7.5.4 Internal Payment Process Control must be adhered to when payments are made to Creditors (updated Annexure A)

7.6 CASH FLOW ESTIMATES AND INVESTMENTS

7.6.1 Before money can be invested, the Accounting Officer or his/her delegate must determine whether there will be surplus funds after meeting the necessary obligations.

7.6.2 To be able to make investments for any fixed terms; it is essential that cash flow estimates are prepared.



7.7 INVESTMENT ETHICS

- 7.7.1 The Accounting Officer and his/her delegate are responsible for the investment of funds and must ensure that there is no interference in these processes.
- 7.7.2 Under no circumstances may the Accounting Officer and his/her delegate accept bribes into making an investment.
- 7.7.3 No member of staff may accept any gift unless that gift can be deemed so small that it would not have an influence on his/her relationship with the said institution.
- 7.7.4 The gift must be declared to the Municipality.
- 7.7.5 The Accounting Officer and his/her delegate must act according to their discretion and must report any serious cases of payment in kind or gifts, to the Municipal Council. Excessive gifts and hospitality should be avoided at all costs.
- 7.7.6 The Auditor-General requires the financial institution, where the investment is made, to issue a certificate for each investment made. This certificate must state that no commission has, nor will, be paid to any agent or third party, or to any person nominated by the agent or third party.

7.8 INVESTMENT PRINCIPLES

7.8.1 Risk management

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

7.8.2 Prudence

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

- 7.8.2.1 Adhere to written procedures and policy guidelines.
- 7.8.2.2 Exercise due diligence.
- 7.8.2.3 Prepare all reports timeously.
- 7.8.2.4 Exercise strict compliance with all legislation.

7.8.3 Ownership



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

7.8.4 Risk exposure and Return

- 7.8.4.1 Although the objective of the Accounting Officer and/ Chief Financial Officer in making investments on behalf of the Municipality shall always be to obtain the best interest rate on offer, this consideration must be tempered by the degree of risk involved in regard, to both the financial institution and the investment instrument concerned.
- 7.8.4.2 No investment shall be made with an institution where the degree of risk is perceived to be higher than the average risk associated with investment institutions. Deposits shall be made only with registered deposit-taking institutions (see Investment Regulations Gazette 27431 1 April 2005).
- 7.8.4.3 The Chief Financial Officer or the Cash management Manager must ensure that available money is not invested with one institution. Investment will be restricted to institutions with a ~~minimum credit rating of [AA]~~ minimal credit risk as rated by a reputable credit rating institution as stipulated by the Municipal regulations.
- 7.8.4.4 The Municipality may not invest more than 50% of its total investments at any time with one banking institution in order to limit the risk exposure of the Municipality.

7.9 INVESTMENT PROCEDURE

- 7.9.1 After determining whether there is cash available for investment and fixing the maximum term of investment, the Municipal Manager must consider the way in which the investment is to be made.
- 7.9.2 Short-term Investment
- 7.9.2.1 The term of investment shall not be more than 12 months.
- 7.9.2.2 Quotations must be obtained from a minimum of three financial institutions, for the term of which the funds will be invested.
- 7.9.3 Long-term investment
- 7.9.3.1 Written quotations must be obtained for investments made for periods longer than twelve months.
- 7.9.3.2 The prior approval of the Council must be obtained for all investments made for periods longer than twelve months after considering the cash requirement for the next three years.



7.9.4 Investing Procedure and Process

7.9.4.1 In the event that an investment needs to be made, quotations are required from at least three registered financial institutions. A request is issued via email to all approved and listed Financial Institutions to provide the Municipality with quotations for interest to be earned for the amount of funds, and for the term which the investment is to be placed. The following information is required:

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

7.9.4.2 Quotations can be obtained through email, if there is a lapse of time, confirmation is required as rates generally change on a regular basis and time is a determining factor when investments are made.

7.9.4.3 The interest rates from three Financial Institutions with the highest rates are tabulated on a call notice rate schedule and with the respective schedules depicting the name of the Financial Institution, their contact person who provided the quote and the terms and interest quoted.

7.9.4.4 The decision is then made based on the best rates offered, as well as the credit rating of the Financial Institution with whom the investment is to be placed. The best quote is accepted, taking into account the Investment principles and risk exposure limits contained in this policy and the Municipal investment regulations 27431 Nr 8200 of April 2005 – Nr 5 (a)

7.9.4.5 The criteria applied by the investment officials in placing funds:-

- 7.9.4.5.1 Cash requirements of Ugu District Municipality
- 7.9.4.5.2 Quoted rates.
- 7.9.4.5.3 Risks involved given existing exposure of individual Banks.
- 7.9.4.5.4 Imminent changes in interest rates

7.9.4.6 No attempts must be made to make institutions compete with each other.

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

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

- 7.9.4.8.1 Within 30 days after the end of that financial year, notify the Auditor-General, in writing, of that investment, including the opening and closing balances of that investment in that financial year and



7.9.4.8.2 Promptly disclose information regarding the investment when so requested by the National Treasury or the Auditor-General.

7.9.4.9 Promptly disclose information of any possible or actual change in the investment portfolio, which could or will have a material adverse effect.

7.9.5 Investment maturity

7.9.5.1 Upon maturity of the investment the Municipality shall do one of the following:

7.9.5.1.1 Shall withdraw the whole amount invested.

7.9.5.1.2 Shall re-invest 100% interest plus the original amount that had been invested, in terms of the investment procedure, unless if Council wishes to utilise the original money or the interest.

7.9.5.1.3 Shall withdraw the interest and re-invest the original capital amount.

7.9.6 Early withdrawal of invested funds

7.9.6.1 When investing the funds with the banking institutions the Chief Financial Officer shall ensure that such funds are not withdrawn earlier than the maturity date agreed upon, by so doing the Municipality will not incur fruitless and wasteful expenditures in form of penalties resulting from early withdrawal of investments.

7.9.6.2 The Chief Financial Officer shall only withdraw funds if:

7.9.6.2.1 the banking institution concerned has agreed to exempt any penalties due to early withdrawal of investment or;

7.9.6.2.2 the Accounting Officer may grant approval to withdraw the invested funds after he/she has satisfied himself/herself that the urgency was unforeseeable at the time when funds were invested and that the need for funds far outweighs the penalties being paid for such early withdrawal.

7.9.7 DELEGATION OF AUTHORITY

7.9.7.1 The delegation to authorise investments must distinguish between short term & long-term investments. The authority to make long-term investments as provision of security, is vested with the Municipal Council in terms of Section 48 of the Municipal Finance Management Act No. 56 of 2003 and with reference to section 11(1) (h) of the Municipal Finance Management Act No. 56 of 2003 dealing with cash management, the responsibility to make short investments lies with the Accounting Officer or Chief Financial Officer or any other senior financial officer authorised by either the Accounting Officer or the Chief Financial Officer/ relevant assignee.



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

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

7.10 INVESTMENTS INTERNAL CONTROLS

7.10.1 An investment register compliant to the generally recognised accounting practices, as prescribed in the investment regulations, shall be kept by the Municipality.

7.10.2 The investment register and accounting records must be reconciled on a monthly basis by the Accountant Cash Planning, Monitoring and Reporting.

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

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

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

1. Fixed deposit letter or investment certificate.
2. Receipt for capital invested.
3. Copy of electronic transfer.
4. Schedule of comparative investment figures.
5. Commission certificate indicating no commission was paid on the investment; and
6. Interest rate quoted.

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



- 7.10.7 The Chief Financial Officer or his/her assignee is responsible for ensuring that the invested funds have been invested with registered financial institutions approved by the Republic of South Africa: National Minister of Finance, Public Investors Commission or with a bank rating of AA and endeavour to minimise risk exposure.

7.11 REPORTING AND MONITORING PROCEDURES

- 7.11.1 The Accounting Officer must within 10 days of the end of each month submit to the Mayor, Council and Budget, Monitoring and reporting office a report describing in detail the investment and cash flow position of the Municipality as at the end of the month.
- 7.11.2 The report must contain a statement, prepared in compliance with generally recognised accounting principles/generally accepted municipal accounting principles, that states the:
- 7.11.2.1 beginning market value for the period
 - 7.11.2.2 additions and changes to the market value during the period
 - 7.11.2.3 ending market value for the period
 - 7.11.2.4 fully accrued interest/yield for the reporting period
 - 7.11.2.5 the credit risk rating for the institutions whose securities are held by the Municipality as at beginning and end of the reporting period.
 - 7.11.2.6 investments disposed of due to adverse changes in credit ratings.
 - 7.11.2.7 diversification of investments
 - 7.11.2.8 any investments locked into a time period with an institution that has a rating that is not acceptable according to Fitch, Naspers or CA-ratings.

7.12 PERMITTED INVESTMENTS AND RELATED PROCESSES

- 7.12.1 The Republic of South Africa: National Minister of Finance may identify by regulation in terms of Section 168 of the Municipal Finance Management Act instruments or investments other than those referred to below in which Municipality may invest:
- 7.12.1.1 Deposits with banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990);
 - 7.12.1.2 Securities issued by the National Government.
 - 7.12.1.3 Investments with the Public Investment Commissioners as contemplated by the Public Investment Commissions Act, 1984 (Act No. 5 of 1984);
 - 7.12.1.4 Listed corporate bonds with an investment grade rating from a nationally or internationally recognized credit rating agency.



7.12.1.5 Deposits with the corporation for Public Deposits as contemplated by the Corporation for Public Deposits Act, 1984.

7.12.1.6 Banker's acceptance certificates or negotiable certificates of deposits of banks registered in terms of the Banks Act, 1990 ;

7.12.1.7 Municipal Bonds issued by a Municipality.

7.12.1.8 Guaranteed endowment policies with the intention of establishing a sinking fund; and

7.12.1.9 Repurchase agreements with banks registered in terms of the Banks Act, 1990

7.12.2 The list of approved institutions that the municipality currently invests with, based on the credit worthiness and ratings as stipulated on Investment Regulations:

Standard bank

First National Bank

Nedbank

ABSA

Investec

7.12.3 Credit ratings are obtained annually, and standard care is exercised through consistent reviews of the credit worthiness of the listed banks.

7.13 **EXISTING INVESTMENTS**

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

7.14 **PERFORMANCE EVALUATION OF THE INVESTMENT PORTFOLIO**

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

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

7.15 **USE OF INDEPENDENT INVESTMENT MANAGERS**

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

7.16 **SHORT AND LONG TERM DEBT**

A municipality may only incur debt in terms of the Municipal Finance Management Act No. 56 of 2003, in line with the provisions of section 45(1) of the MFMA. The municipality may incur two types of debt, namely short term and long term debt.



7.17 SHORT-TERM DEBT

~~7.17.1 A municipality may incur short-term debt only when necessary to bridge:~~

- ~~1. Shortfalls within a financial year during which the debt is incurred, in expectation of specific and realistic anticipated income to be received within that financial year or~~
- ~~2. Capital needs within a financial year, to be repaid from specific funds to be received from enforceable allocations or long-term debt commitments.~~

~~7.17.2 A municipality:~~

- ~~1. Must pay off short-term debt within a financial year and~~
- ~~2. May not renew or refinance its short-term debt.~~

7.18 LONG-TERM DEBT

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

- ~~1. To provide democratic and accountable government for local communities,~~
- ~~2. To ensure the provision of services to communities in a sustainable manner,~~
- ~~3. To promote social and economic development,~~
- ~~4. To promote a safe and healthy environment and~~
- ~~5. To encourage the involvement of communities and community organizations in the matters of local government.~~

8 MONITORING AND EVALUATION

8.1 This Policy shall be monitored and evaluated by the General Manager: Treasury and regular monitoring reports submitted to the Management Committee Meeting, Finance Portfolio Committee, Executive Committee and Full Council Meetings.

9 COMMENCEMENT OF THE POLICY

9.1 This Policy shall come into effect on the date of the adoption by the Ugu District Municipality Council.

10 AMENDMENT AND/OR ABOLITION

10.1 This policy may be amended or repealed by the Municipality through a Council Resolution.

11. COMPLIANCE AND ENFORCEMENT

11.1 Violation or non-compliance with this policy will give a just cause for disciplinary steps to be taken.



12. POLICY REVIEW

12.1 This Policy will be reviewed annually to ensure applicability and relevance.

Records of Approval

Meeting	Date	Resolution
Review 2021/2022		
Policy Review Committee	20 January 2022	Recommended to MANCO
MANCO	24 January 2022	Recommended to Portfolio Committee on Finance
Portfolio Committee on Finance	03 February 2022	Recommended to EXCO
EXCO	06 March 2022	Recommended to Council
Council	26 May 2022	Approved
Review 2022/2023		
Policy Review Committee	10 February 2023	Recommended to MANCO
MANCO	24 April 2023	Recommended to Portfolio Committee on Finance
Portfolio Committee on Finance	16 May 2023	Recommended to EXCO
EXCO	17 May 2023	Recommended to Council
Council	25 May 2023	Approved
Review 2023/2024		
Policy Review Committee	14 February 2024	Recommended to MANCO
MANCO		
Portfolio Committee on Finance		
EXCO		
Council		

**REVIEWED**

By N.Msomi at 3:14 pm, Mar 04, 2024

APPROVED

By N.Msomi at 3:14 pm, Mar 04, 2024

Annexure A

CREDITORS PAYMENT PROCEDURES

UGU DISTRICT MUNICIPALITY



Contents

1. Legislative Requirement
2. What constitute a legitimate and authentic invoice
3. Pre-requisites for processing of payments
4. Frequency of payments and mode
5. Payment process
6. Responsibility for payment of service providers



1. LEGISLATIVE REQUIREMENTS

Municipal Finance Management Act No. 56 of 2003 S65 (1) (2) requires that the accounting officer of a municipality in executing his/her responsibility for the management of the expenditure of the municipality must for the purpose of subsection (1) take all reasonable steps to ensure, S2 (e) that all money owing by the municipality be paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure;

2. WHAT CONSTITUTES A LEGITIMATE AUTHENTIC INVOICE

- a) The invoice must be addressed to Ugu District Municipality.
- b) In case of a supplier being a Vat vendor, a Tax Invoice is required.
- c) The supplier VAT number must be appended on the invoice.
- d) Invoice must display an invoice number.
- e) Invoice must be dated i.e. date after the order date.
- f) Ugu District Municipality VAT number must be appended on the invoice.
- g) Invoice must display a Purchase Order Number.
- h) Contents of an invoice must reflect or match that of the purchase order.
- i) Invoice must be authorised by the General Manager, Manager or a delegate of the user department who received the goods or services.
- j) Alterations on an invoice cannot be accepted unless signed for by the supplier or his/her representative.
- k) The bank details of the supplier appear on the invoice / claim.

Any invoice which reaches creditors section lacking in any of the above requirements constitutes non-compliance and it shall with immediate effect be returned to the user department or supplier for rectification and resubmission.

Any disputes shall be referred to the Manager: Expenditure for resolution. If the matter is still not resolved, it shall be referred to the General Manager: Treasury.

3. PRE-REQUISITES FOR PROCESSING OF PAYMENTS

A. The creditors section shall receive the following in batches on a daily basis:



- i. *Orders with corresponding requisitions from the SCM's purchasing section.*
 - ii. *The supplier's delivery note and the internal goods received note (GRN) from the stores section; and*
 - iii. *If the supplier forwards his invoice with the delivery note, the receiving official should date stamp it and forward it to the creditors section.*
- B. All invoices received by the Creditors Section must be date stamped.
- C. Each supplier invoice must be matched to a properly approved requisition and purchase order.
- D. The invoice must then be matched to the delivery note. The description of the goods, the quantity supplied and the signature of the authorized person receiving the goods must be confirmed.
- E. The creditors section is responsible for checking the adequacy and completeness of documents received from the SCM purchasing and stores sections.
- F. If the invoice relates to a service that was supplied, the official that requested the service should sign the invoice to indicate that the service was received.
- G. An initial, progress or final payment in terms of a contract or agreement shall not be considered unless it is accompanied by a voucher which meets the following requirements: -
 - 1. Disclose the total amount payable in terms of the contract.
 - 2. Disclose the total amount of all previous payments in terms of the contract.
 - 3. Disclose the total payment to date, including the payment being made as reflected in the voucher.
 - 4. Disclose the balance due; and
 - 5. Be supported by a certificate from a duly authorized official responsible for the management of the contract, that the supplier is entitled to the payment in terms of the contract and the **work has been properly performed** and
 - 6. A letter of appointment of the service provider signed by the Accounting Officer or duly authorised General Manager.

4. FREQUENCY OF PAYMENTS AND MODE

- A. All payments must be effected electronic transfer. Apart from petty cash, no payments should be made in cash.



- B. All payments must be made bi-monthly, and, only under exceptional circumstances, as determined by the Chief Financial Officer, should a payment be made outside of these intervals.
- C. All payments must be made within 30 days of receiving an invoice or statement. 30 days of receiving the relevant invoice or statement means “from the date in which it was received by creditors section” where it is ready for processing i.e. every other aspect is without queries.

In case of queries, 30 days of receiving the relevant invoice or statement would only apply from the date of resubmission to creditors section.

In the event that payment is not made in 30 days , a process of engaging a supplier and /or an arrangement process should be followed.

5. PAYMENT PROCESS

- A. Creditors Section receives the invoice from the Service Provider, then send user Department for confirmation and authorisation.
- B. Upon receipt of authorised invoice, match the invoice with an approved purchase order received from SCM.
- C. Invoices are then sent to Data Captures for capturing on the financial system, using the Purchasing order.
- D. Accountant Expenditure then verifies the capturing in line with the Expenditure checklist (Annexure A).
- E. Manager Expenditure runs an updated Age Analysis, for compiling a list of Payments to be paid.
- F. Confirmation of Banking details.
- G. Payment Journal is then generated, verified, and approved by Manager: Grants and Expenditure.
- H. The same Payment Journal and Payment file are then electronically sent to Cash Management to effect payment.

i. Electronic Transfer payments

- A. The creditors section must prepare the electronic funds transfer (EFT) for those suppliers that are paid electronically.



- B. The Municipal Manager and/or the Chief Financial Officer or an approved delegated Manager must insert passwords to effect the electronic funds transfer after reconciling it to the relevant supporting documents.
- C. The Chief Financial Officer must stamp the supporting documentation as paid.

ii. Debit Order payments

- H. In certain circumstances, the Municipality may have entered into agreements requiring payment by debit order. These arrangements must be authorised by the Chief Financial Officer and/or the Municipal Manager.
- D. The Equity and Accounts section should prepare a schedule of all debit orders that were processed in any respective month. This schedule must form part of the monthly bank reconciliation. This schedule should be forwarded to the creditors section.
- E. The creditors section will be responsible for providing documentation to support the validity of these deductions.
- F. The schedule accompanied by supporting documentation should be submitted to the Chief Financial Officer to satisfy himself/herself that these are in order.
- G. The Chief Financial Officer signs this schedule as evidence that he/she has inspected the supporting documentation and is satisfied as to the validity of the deduction.
- H. If any deduction is disputed by the Chief Financial Officer, then it will be referred to the creditors section, who will be responsible for following up on all queries with regard to payments.
- I. The creditors section is responsible for maintaining all documentation relating to creditor payments.
- J. The monthly reconciliation of the creditor's statement to the accounting records maintained by the Municipality must be performed by the creditors section.

6. RESPONSIBILITY FOR PAYMENT OF SERVICE PROVIDERS

- A. Though in terms of the legislation the Accounting Officer is accountable for expenditure, but departmental heads and section managers are equally responsible as per delegations register.
- B. Managers should take full responsibility for the payment of service providers for services rendered or goods delivered in favour of their departments / sections. Failure to observe to do the above may result into the guilty party having to reimburse the municipality for fruitless and wasteful expenditure in a form of interests and penalties incurred due to late payment/s.



- C. The recovery of Fruitless and Wasteful expenditure incurred due to late payments will be done in accordance with the procedure on Unauthorised, Irregular, Fruitless and Wasteful Expenditure.



ANNEXURE B

ANNEXURE B

UGU DISTRICT MUNICIPALITY

RECEIPTING AND BANKING

STANDARD OPERATING PROCEDURE



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1.1. Overview

Ugu District Municipality has developed its cash handling standard operating procedure to include activities at all departments at which municipality business is conducted. This in recognizing its community orientation; and the need for good governance. The cash handling policy is a transparent and codified internal control system.

aimed at promoting its core District Objectives to ensure that the limited resources at the disposal of Ugu District Municipality will be focused towards serving the various stakeholders in the pursuit of their interactions.

with Ugu District Municipality both efficiently and congruent to approved budgets and broader financial policies of Ugu District Municipality, whilst minimizing the temptation of misuse of municipality funds.

"Cash" is defined in this context as coin, currency, and credit card transactions but excludes the management of activities funded by staff collected cash, such as social events. The policy is applicable to all.



Ugu District Municipality staff that are entrusted with the receipt, deposit, or reconciliation of cash in any form on behalf of the municipality related activities. It seeks to institute the necessary control measures to

facilitate the daily activity of the municipality by providing:

i. A guideline for all stakeholders as to what is required for cash.

based transactions.

ii. An internal dynamic document detailing the processes required for the

efficient discharge of duties for cash handling relative to financial controls necessary to ensure the efficient administration of the

Ugu District Municipality budgets.

1.2 Purpose

The cash handling procedure seeks to institute the necessary control measures to facilitate the daily activity of the municipality by providing:

1.2.1 A guideline for all stakeholders as to what is required for cash-based transactions.

1.2.2 An internal dynamic document detailing the processes required for the efficient discharge of duties for cash handling relative to financial controls.
necessary to ensure the efficient administration of the Ugu District Municipality budgets.

It furthermore serves to assist management, employees and all other stakeholders of the Ugu District Municipality to implement and maintain consistent, effective and efficient cash handling principles thereby contributing to the early detection and prevention of fraudulent activity.

1.3 Objective

To ensure procedures and internal controls are in place to prevent the mishandling of Municipality funds and safeguard and protect employees from inappropriate charges of mishandling funds, by defining their responsibilities in the cash handling process by:

1.3.1 Infusing business processes into internal control which complies with all legislation and statutory requirements.

1.3.2 Safeguarding cash resources and optimising cash flow via effective, efficient and economical use of the Ugu District Municipality cash resources.

1.3.3 Driving a culture of accountability over Ugu District Municipality's cash by skilling staff and stakeholders alike.

1.3.4 Verification of the validity of receipts and payments and ensuring that accurate and completeness of recording of receipts and payments occur.

1.3.5 Provide a means of communication aimed at service delivery for communities, businesses, and vendors.

1.3.6 Instil an awareness of special precautions is required when handling the more exchangeable forms of money, like cash and uncrossed cheques.

1.3.7 Ensure that staff assigned cash handling responsibilities should be appropriately trained and be aware of relevant policies and procedures.



- 1.3.8 Communicate to all staff that any monetary loss as a result of noncompliance with this policy is deemed to be gross negligence and could be cause for disciplinary action.

1.4 Business Process Framework

1.4.1 Legislative Framework

1.4.1.1 The *Municipal Systems Act (No. 32 of 2000)*,

1.4.1.2 *Municipal Finance Management Act (No. 56 of 2003)*, the *King II Code on Corporate Governance in South Africa (2002)*

1.4.1.3 and other applicable legislation informs and seeks to regulate the functioning of cash.

handling so as to lead to the early detection of irregular and unauthorised, activity, and allow for reporting thereof in terms of the Code of conduct for Councilors and Municipal Staff Members.

1.4.2 Accounting Framework

The responsibility of cash handling lies with the Chief Financial Officer, or delegated official, who must ensure that reasonable controls exist to support the implementation of policies. In delegating this function to subordinates, it does not alleviate the responsibility of the Chief Financial Officer. The HOD must ensure all policies and procedures are communicated to and implemented by the responsible individual(s).

2. PROCESSES AND PROCEDURES

2.1 Cash Handling Function

Cash handling is an integral part of revenue collection. Due to the ease of recycle into the commercial arena, any organisation's accounting system needs to implement strict measures of internal control for cash related transactions.

Generally, there are a large number of business units in a typical municipality, and in the pursuit of its core function of service delivery, payment for goods and services are a necessary consequence. Ugu District Municipality thus must regulate and streamline receipting, depositing and reconciliation.

via effective and efficient records and controls that allows for the processing of



all cash transactions.

2.1.1 General guidelines on safeguarding

2.1.1.1 Cash must not be sent through the internal mail.

2.1.1.2 The cash on hand should be “spot-checked” periodically.

2.1.1.3 Loss control officer/ Security Services must be notified promptly of any losses due to theft.

2.1.1.4 The Internal Audit should be notified if misappropriation by an employee is suspected.

2.1.1.5 If necessary, insurance cover must be obtained, and excesses set on claims.

2.1.2 Cash Handling

Cash handling is deemed to have the following major functions:

2.1.2.1 Collecting and receipting.

2.1.2.2 Depositing and banking.

2.1.2.3 Reconciling and monitoring.

2.2 Collecting and Receipting (Cashier, Cashier Supervisor Processes and Procedures)

The following guidelines are applicable for to all staff in charged with the collection and receipting of cash **Main Offices**

2.2.1.1 Tilling of speed point printouts to check whether its balancing or not.

2.2.1.2 Cashier to make sure the amount reflecting in that printout balances, debit card/credit cards amount corresponds with balance at a dot.

2.2.1.3 The cashier must ensure that they are in possession of a float and should ensure that the receipting of the previous day is cleared.

2.2.1.4 Signing on to the receipting system that is used by the municipality (POS) following all the procedures before reaching the receipting screen.



- 2.2.1.5 The cashier receipts payments in the form of cash, debit and credit cards from direct customers, direct deposit (money paid to the Municipal bank account) and posted cheques which comes through the municipal post.

2.3 Depositing and banking

All cash received must be recorded. Depending on the volume and amount of cash received, this may be done by issuing prenumbered receipts to the customer, or by recording the transaction using any method established or approved by the Manager (e.g. in a book).

- 2.3.1 For each receipt at least the date, customer, service/product, amount must be recorded.
- 2.3.2 where there is refund, the cashier must request a refund form from the cashier supervisor which will be signed by the customer, a cashier, and the cashier supervisor.
- 2.3.3 If there is a cancellation, the cashier will fill in the cancellation form and hand it to the supervisor for cancelation and authorization. In case of Satellite offices, an email to be forwarded to Supervisor requesting cancellation.
- 2.3.4 All refund and cancellation forms must be attached on balancing sheets.
- 2.3.5 In case of a change dispute, the cashier must call the supervisor immediately and must not move from the drawer until the supervisor arrives.
- 2.3.6 A daily balancing of each cashier is being done by cashiers themselves and call Cashier Supervisor if not balancing.
- 2.3.7 Cash collected should be counted and balanced to the cash recorded at the end of the day.
- 2.3.8 In case of the cash doesn't balance, the supervisor should report the matter daily to the delegate officer (accountant income)
- 2.3.9 In case a cashier has a shortage that money must be paid immediately or must be paid on the following day before "the company" collects the money to be banked
- 2.3.10 In case of a surplus that must be noted and receipted on a vote number and the supervisor is also involved for the records.
- 2.3.11 Appropriate disciplinary action should be taken against any employee who encored cash shortages.

2.3.1.1 The following guidelines are applicable for to all staff in charge of the collection and receipting of cash Satellites Offices.

- 2.3.1.1.1 Pre-printed numbered manual receipting books which are three carbonised pages are used at the Satellites office for receipting.



- 2.3.1.1.2 Cashier Supervisor will issue the pre-numbered books to Cashier per office, and they must both sign the manual receipting books.
- 2.3.1.1.3 The unused books should be kept in a safe place under the control of Cashier Supervisor or Accountant Income other than those involved in the collecting and receipting of cash.
- 2.3.1.1.4 Cashier will fill in all the information for customer when receiving and receipting the payments.
- 2.3.1.1.5 Cashier will issue the original receipt to the customer.
- 2.3.1.1.6 Then Roving Cashier or Cashier Supervisor will come and collect money from Cashier once a week by reconciling all payments on the receipting book.
- 2.3.1.1.7 She/he will fill in the Cash-up form and Cash-up control form if the totals are balancing then they will both sign as acknowledgment of cash collected.
- 2.3.1.1.8 The monies collected on the Satellites must receipted and banked within 24 hours.
- 2.3.1.1.9 The Roving Cashier/Cashier Supervisor will submit the Cash-up, manual receipts and computer receipts to the Accountant Income for signing off and filing.

2.4 Banking and Depositing (Cashier and Supervisor/ Accountant Income Processes and Procedures)

Cash must be deposited into an authorized Ugu District Municipality Account, as designated for the purpose of receiving cash by the Chief Financial Officer, who is the only designated municipal.

official who may open a bank account. The bank account utilised will be the primary bank account of the municipality and clearly designated in the name of Ugu District Municipality as per **MFMA** circular 55.

Cash handling to deposit timeframes are as follows:

- 2.4.1 All cash collected must be counted by the cashier according to the dominations on the deposit slip and balancing sheets and confirmed by Cashier Supervisor
- 2.4.2 The money must be sealed by the supervisor in a stop loss bag.
- 2.4.3 Enclosed should be a deposit slips for cash and cheques with its reference amounts I cash plus cheques, thereafter the stop loss bag must be sealed, and seal number recorded in the stop loss bags register.
- 2.4.4 After sealing the stop loss bag, the Cashier and Cashier Supervisor must sign the Acknowledge of **Cash Receipt Register**.
- 2.4.5 Then money must be locked in a strong room by Cashier, Cashier Supervisor / Accountant Income.
- 2.4.6 The keys must be separated so that no one can have access to the safe without the presence of the other.
- 2.4.7 The strong room key is being kept by Cashier Supervisor/Accountant and safe must be kept by Cashier.
- 2.4.8 Cash must be deposited within a period of 24 hours of receipt thereof during a normal week.
- 2.4.9 In the event of a public holiday, within 48 hours of receipt thereof.
- 2.4.10 In the event of a weekend within 72 hours between the date of receipt and deposit date.
- 2.4.11 All deposit slips are to be pasted into a deposit register, which details the transactions it refers to, the date of deposit etc.



2.5 Reconciling and Monitoring (Cashier Supervisor and Accountant Income Processes and Procedures)

Early detection of fraudulent activity will be enhanced through. Adherence to the following:

- 2.5.1 The following working day, the supervisor must receive the envelop back from the bank, ensure there are no alterations made on the amount banked.
- 2.5.1.2 The returned stamped deposit slips should also be recorded and be attached to the cash balancing sheet.
- 2.5.1.3 Receipts and deposits must be reconciled, at least on a weekly basis.
- 2.5.1.4 The person responsible for the reconciliation function must review /check the accuracy of records on a regular basis, including that the totals receipted and deposited agree.
- 2.5.1.5 The cash deposits listed in the monthly financial (fund) reports should be reconciled to the department's records of cash collections.
- 2.5.1.6 Such reconciliation is to be cross referenced with the primary bank account statements.
- 2.5.1.7 Adequate separation of duties must exist for cash collecting, depositing, and reconciling. [In smaller departments the handling of cash should be separated from the reconciliation.]
- 2.5.1.8 Voided cash receipts should be reviewed on a regular basis.
- 2.5.1.9 A third party not involved in the cash handling process should authorize.
and monitor the process at regular intervals.

2.6 Amendment and Review of the Standard operating Procedures

The Cash Handling Policy shall be reviewed annually and/or at the discretion of the CFO due to changing circumstances as a result of the legislation or otherwise.



UGU DISTRICT MUNICIPALITY



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PREAMBLE

Whereas Section 96(a) of the Local Government: Municipal Systems Act, No. 32 of 2000 (hereinafter referred to as the “Systems Act”), obliges Ugu District Municipality (hereinafter referred to as “the municipality”) to collect all money that is due and payable to it, subject to the provisions of that Act and any other applicable legislation;

And whereas Section 96(b) of the Systems Act requires the municipality to adopt, maintain and implement a credit control and debt collection policy, which is consistent with its rates and tariff policies and complies with the provisions of the Act;

And whereas Section 97(1) of the Systems Act stipulates what a credit control and debt collection policy must provide for;

And whereas Municipalities are required in certain circumstances to comply with the National Credit Act No. 34 of 2005;

Now therefore the following is adopted as the Credit Control and Debt Collection Policy of the municipality (hereinafter referred to as “this Policy”) as set out hereunder.

1. INTRODUCTION

This Policy, read together with the Ugu District Municipality Credit Control and Debt Collection By-law, provides procedures and mechanisms for credit control and debt collection. The Policy has been compiled in compliance with the Local Government: Municipal Systems Act 32 of 2000 (the Systems Act), Chapter 9 S(95) – (97), which requires the adoption of a credit control and debt collection policy, which is consistent with the Municipality’s Tariff Policy and which complies with the Systems Act. The Policy aims to ensure that the Municipality’s approach to debt recovery is sensitive, transparent and is equitably applied throughout the Municipality’s geographic area.

2. DEFINITIONS

Words contained in this Policy have the same meaning as in the Ugu District Municipality: Credit Control and Debt Collection By-law, except where the context indicates otherwise. In addition, the following words and phrases have the following meanings:

- 2.1 **Account** means written notification in the form of a statement of account in respect of municipal services, sundry charges and other charges, addressed to a person liable for payment thereof;



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- 2.2 **Agent** means a person authorised by the customer to act on his or her behalf;
- 2.3 **Arrears** means any amount which is due, owing and payable and which remains unpaid by due date;
- 2.4 **Authorised Official** means any official or agent of the Municipality who has been authorised by the Municipality to administer, implement and enforce the provisions of these Bylaws,
- 2.5 **Bulk customer** means a customer who consumes large amounts of water for commercial or industrial purposes;
- 2.6 **By-law** means Ugu District Municipality: Credit Control and Debt Collection By-Law, as amended;
- 2.7 **CFO** means a person employed by the Municipality in terms of section 57 of the Systems Act as the Chief Financial Officer of the Municipality, and includes any person to whom the Chief Financial Officer has delegated or sub-delegated a power, function or duty in accordance with the system of delegation developed by the Accounting Officer in terms of section 79 of the Municipal Finance Management Act and section 59 of the Systems Act;
- 2.8 **Collection charges** means the charges which the Municipality is entitled to recover in terms of section 75A(1) of the Systems Act, and includes the administrative cost–
- (a) of reminding any customer of arrears;
 - (b) for the disconnection, restriction or reinstatement of any municipal service to a defaulting customer;
 - (c) of any notice rendered, sent, delivered or published to a customer in terms of the By-law or any other law;
 - (d) in respect of any other charge which the Municipality is by law entitled to recover;
- 2.9 **Company** shall bear the same meaning as “Company” in the Company’s Act, 2008 (Act 71 of 2008);
- 2.10 **Consolidated account** means a monthly account reflecting municipal service fees, charges, surcharges on fees, sundry charges, levies and all consolidations in terms of section 102 of the Systems Act;
- 2.11 **Credit Authority** means any arrangement made by agreement between the Municipality and a customer for the payment of any arrears in instalments. Such arrangement may take the form of an agreement or an acknowledgment of debt;



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- 2.12 **Customer** means any person or their agent with whom the Municipality or an authorised official has entered into an agreement for the provision of any municipal service to the premises;
- 2.13 **Deemed Owner** means the occupiers contemplated in **section 27.2** of this Policy;
- 2.14 **Defaulter** means a Customer whose account is in arrears;
- 2.15 **Deposit** means a monetary amount raised by the Municipality in relation to the consumption of a Municipal Service and mitigation of credit risk to the Municipality, irrespective of the existence of an agreement;
- 2.16 **Due date** means the date on which a customer's account becomes payable, which in the case of monthly accounts is thirty (30) days from the date of the account
- 2.17 **Effective Date** means the date on which this Policy comes into effect which shall be **1 July 2024;**
- 2.18 **Unauthorised reconnections** means any reconnection after restriction of disconnection, to a system through which municipal services are provided, which is not authorised or approved by the Municipality or an authorised official;
- 2.19 **Juristic person** includes a partnership, a proprietor, association or other body of persons, corporate or unincorporated and includes a trust and organ of state;
- 2.20 **Municipal charges** mean municipal service fees, surcharge on fees, penalties and interest, as well as any other charges in terms of Legislation, Policy or an agreement including Sundry Charges and Collection charges;
- 2.21 **Municipal service** means a service provided by the Municipality in terms of its powers and functions to or for the benefit of the local community, irrespective of whether or not –
- (a) such service is provided by the Municipality itself or by engaging an external mechanism contemplated in section 76 of the Systems Act; or
 - (b) any fees, charges or tariffs are levied in respect thereof;
- 2.22 **Owner means –**
- (a) a person in whom is vested the legal title to the premises or property



- (b) in a case where the person in whom the legal title to premises is vested is insolvent or dead, or is under any form of legal disability whatsoever, the person in whom the administration and control of such premises is vested as curator, trustee, executor, administrator, judicial manager, liquidator or other legal representative;
- (c) in any case where the authority or authorised provider is unable to determine the identity of such person, a person who is entitled to the benefit of the use of such premises or a building or buildings thereon, including a person who receives the rent or profits of such premises or any part thereof from any tenant or occupier or who would receive such rent or profits if the premises or any part thereof were let, whether for his own account or as agent for any person entitled thereto or having an interest therein;
- (d) in the case of premises for which a lease agreement of 30 years or longer has been entered, the lessee thereunder;
- (e) in relation to -
 - (i) a piece of land delineated on a sectional plan registered in terms of the Sectional Titles Act 95 of 1986, the developer or the body corporate in respect of the common property, or a section as defined in such Act, the person in whose name such section is registered under a sectional title deed and includes the lawfully appointed provider of such person;

2.23 **Person** means a natural person or Juristic Person

2.24 **Property means–**

- (a) immovable property registered in the name of a person, including, in the case of sectional title scheme, a sectional title unit registered in the name of a person;
- (b) a right registered against immovable property in the name of a person;
- (c) a land tenure right registered in the name of a person or granted to a person in terms of legislation, excluding a permission to occupy; or
- (d) a public service infrastructure;

2.25 **Prescribed form** means any document that may be prescribed by law or required by the municipality from time to time; in a format approved by Council;

2.26 **Registrar of Deeds** - refers to the depository for maintaining records on real estate deeds, birth certificates, and other documents.

2.27 **Residential property** means a dwelling, in any building, premises, structure, or any other place, or any part thereof, used predominantly as a place of residence or abode of any natural person excluding a dwelling where the dominant use is for any purpose other than residential



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- 2.28 **Revenue Clearance Certificate** means a certificate of the kind referred to in Section 118(1) of the System Act;
- 2.29 **Rural** means a geographic area that is located outside towns and cities;
- 2.30 **Service Agreement** means an agreement entered between the Customer and the Municipality for the provision of municipal services;
- 2.31 **Staff means** a person who is not an elected or appointed officer who is employed on a full or part-time basis by a municipality.
- 2.32 **Specified amount** means a disputed amount only, that will not be subjected to the collections procedures until it is resolved, as per this Policy.
- 2.33 **Sundry charge** means an amount charged to a customer which is not directly linked to a property and includes but is not limited to–
- (a) charges arising from damage to municipal property and equipment;
 - (b) monies owed for municipal services other than water and sanitation;
 - (c) monies awarded to the Municipality through court orders and judgments;
 - (d) fines; and
 - (e) monies owed to the municipality by the municipality staff (staff debts);
- 2.34 **Systems Act** means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) as amended;
- 2.35 **S118(1)(b) MSA Act 32 of 2000** - which certifies that all amounts that became due in connection with that property for municipal service fees, surcharges on fees, property rates and other municipal taxes, levies and duties during the two years preceding the date of application for the certificate have been fully paid.
- 2.36 **Tenant** a person who occupies land or property rented from a landlord;
- 2.37 **Tenderer** means a contractor, service provider or supplier who has submitted a tender for the provision of services or the delivery of goods to the Municipality;



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- 2.38 **Urban** means belonging to, or relating to town, city or suburb and rateable;
- 2.39 **Water services** means the supply of potable water and, where a municipal sewerage reticulation system exists, the disposal of sewage;
- 2.40 **Multi property owner** means an owner of 50 or more registered properties in the Municipality's area of jurisdiction

3. POLICY OBJECTIVES

The objectives of this Policy are to:

- 3.1. Ensure that all money due and payable to the municipality in respect of fees for services, sundry charges, surcharges on such fees, charges, tariffs, interest which has or will accrue in respect of and any collection charges are collected efficiently and promptly.
- 3.2. Provide for credit control procedures and mechanisms and debt collection procedures and mechanisms.
- 3.3. Provide for the setting of realistic targets consistent with generally recognized practices and collection ratios and also the estimates of income set in the annual budget of the municipality less an acceptable provision for bad debts.
- 3.4. Provide for when and when not to charge interest on overdue amounts and will be levied.
- 3.5. Provide for when or when not collection charges on the payment of any overdue amount may be levied.
- 3.6. Provide for extension of time for the payment of overdue amounts.
- 3.7. Provide for the termination of services or for restrictions on the provision of services when payments are overdue.
- 3.8. Provide for punitive measures relating to the unauthorized consumption of services, theft and damages.



Credit Control and Debt Collection Policy

- 3.9. Provide for the extension of time for investigation of queries that may arise in the implementation of this policy and any matter related thereto.
- 3.10. Provide a requirement for the application of clearance figures and certificates.
- 3.11. Provide for the requirements governing the conclusion of the debt payment or arrangements.
- 3.12. Provide for the raising of security deposits, where applicable.
- 3.13. Provide for the refunding of credit balances and/or transfer of credit balances on accounts.

4. PRESCRIPTIVE/LEGAL FRAMEWORK

4.1 Constitution of the Republic of South Africa of 1996

4.2 Deeds Registries Act

4.3 Municipal Systems Act 2000, Act 32 of 2000

4.4 Municipal Finance Management Act, 56 of 2003

4.5 Promotion of Access to Information Act No.2 of 2000

4.6 Protection of Personal Information Act No. 4 of 2013

4.7 Water Services Act

5. APPLICATION OF THE POLICY

This policy shall apply only in respect of money due and payable to the municipality for:



Credit Control and Debt Collection Policy

5.1 Service charges, Fees, and surcharges on fees, in respect of the provision of the following municipal services: -

- (a) the provision of water and the availability thereof;
- (b) sewerage and the availability thereof; and
- (c) sundry charges;

In cases where the municipality is responsible for the rendering of accounts in relation to any one or more of the services or for the recovery of amounts due and payable in respect thereof, irrespective of whether the services, or any of them, are provided by the municipality itself or by a service provider and including any prepaid services;

5.2 Interest which has or will accrue in respect of any money due and payable, or which will become due and payable to the municipality in regard to services;

5.3 Collection charges.

PROVISION OF MUNICIPAL SERVICES

6. REGISTRATION FOR MUNICIPAL SERVICES

- 6.1 **Residential property** - The Municipality will endeavour to register **owners only** for services on their properties **as per the Registrar of Deeds**. Tenant registrations currently in place will continue until the tenant vacates, the account is closed, or the Municipality cancels the contract of the tenant in default in terms of subsection 8.1 (b) of this Policy.
- 6.2 **Business property** - The Municipality will only enter into new contracts for municipal services with tenants if the owner of the property is a multi-property owner as defined, and the municipal accounts on all of his or her properties are paid. Where the landlord is not a multi-property owner, the owner of the property must register for services.
- 6.3 **Government property** - The Municipality will continue to register tenants for services. The respective Government Departments shall be held liable for the debts on their own property.
- 6.4 **Sundry debtors** -. Each sundry debtor must have an account.



6.5 On change of ownership: -

- (a) The municipality's database will be updated with the new owner's information as per the Registrar of Deeds.
- (b) On registration date, the owner of the property becomes obligated to pay for municipal charges related to the property.

6.6 If there is an outstanding debt on the property, this debt must be settled in full excluding S118(1)(b) of MSA Act 32 of 2000.

6.7 Customers who fail to register and who illegally consume services will be subjected to such administrative, civil or criminal action as the Municipality deems appropriate.

6.8 Where the purpose for or extent to which any municipal service used is changed, the onus and obligation is on the customer or owner to advise the Municipality of such change.

6.9 A person applying for a Municipal Service must enter into a service agreement with the Municipality in order for such Municipal Service to be provided.

6.10 Documentation and Information (Juristic Persons)- An application by a Juristic Person for a Municipal Service must include –

- (a) The submission of a resolution delegating authority to the applicant and furnishing, if applicable, the Juristic Person's Registration Number or Trust Reference Number with the Master of the High Court.
- (b) The names, identity number, cell phone number, physical and postal addresses, email addresses and any other particulars of all the directors or members or trustees or proprietors or partners, as maybe prescribed.
- (c) Certified Copies of the following where applicable:
 - (i) Current Letter of Authority of the Trustee(s).
 - (ii) Identity documents of the persons referred to in (b) above.
 - (iii) CIPC registration documents.
 - (iv) Constitution.
- (d) if the applicant is not the registered owner of the property to which water and sanitation services are to be supplied, be accompanied by:
 - (i) a written undertaking, in a form prescribed by the authority or an authorised provider, signed by such owner in favour of the authority or an authorised provider, whereby such registered owner agrees and undertakes to pay to the authority or such authorised provider any outstanding debt owing by the applicant for water and sanitation services provided to the applicant by the authority or the authorised provider in the event that the applicant absconds leaving such debt unpaid.



- 6.11 A person may be required to provide to the Municipality such personal information, as may be prescribed, for any purpose contemplated in this policy, amongst others, all contact details (postal/physical/email address etc.), proof of identification, financial information and such other relevant documentation, as may be required by the Municipality from time to time (e.g. binding lease agreement, title deed etc.).
- 6.12 All information furnished may be verified by the Municipality with any or all data information institutions, credit information bureau's and any financial institutions as may be deemed necessary by the Municipality in determining a person's credit worthiness or for any other reason as determined by the municipality.
- 6.13 The Municipality has a right to conduct a full credit check on any person who is or who will become subject to this policy or any other policy of the Municipality.
- 6.14 The municipality will restrict provision of water if the owner or account holder has not complied with the municipal obligations.

7. DEPOSITS AND GUARANTEES

7.1 Deposits

- (a) All new customers applying for a new connection are required to pay a minimum-security deposit of R1 000.00 (urban) and R200.00 (rural), R2 000.00 (tenant)
- (b) All new customers with existing connections will be required to pay a minimum deposit based on 3 months historic charges on the property. The calculated security deposit should not be less than the minimum-security deposit as stated on Section (a) above.
- (c) Where a tenant applies for a municipal account, the registered owner's account must be settled in full.
- (d) The Municipality may appropriate a customer's deposit on any account related to that customer.
 - (i) Sureties shall not be accepted in lieu of deposits.
 - (ii) Where a business customer does not present a valid South African ID Document, a deposit equivalent to twice the prescribed deposit shall apply, in addition to the personal suretyships.
 - (iii) If a customer is in arrears, the deposit may, upon due notice, be increased.
 - (iv) No deposit will be raised on a vacant stand however a basic charge shall be raised monthly.
- (e) Accounts that were taken over from rural water schemes may have no deposit
- (f) No deposit will be raised on the registered owner's account that is opened for raising basic charges where the old owner has requested the closure of their account until the registered owner has signed a contract with the municipality.
- (g) The municipality allows private contractors to deliver any domestic sewer effluent to the Waste Water Treatment Works for processing at a fee. The private contractor must open an account where he/ she will be



billed as and when the service is utilised. A security deposit of R6 000.00 is payable when the account is opened.

7.2 Guarantees

- (a) Where an applicant for any credit service is a commercial customer, they may lodge with the Municipality a guarantee for a deposit amount as calculated by the Municipality and provide the guarantee in a form that is satisfactory and acceptable to the Municipality from a recognised financial institution.
 - (i) Any guarantee provided shall not be regarded as being in payment of any current account or any arrears due to the authorised provider; and
 - (ii) Where liability for monthly charges ceases, the authorised provider shall issue a written release of any guarantees given on behalf of the juristic person or persons concerned.
 - (iii) The determination of the cessation of any monthly charges or liability shall be solely within the discretion of the authorised provider which shall, however, be exercised reasonably.
 - (iv) The authorised provider may at any time require by notice to any liable party or juristic person to furnish a further guarantee, which may in the discretion of the authorised provider, be from a recognised financial institution for any additional amount as the authorised provider may reasonably determine is necessary, in a time period as set out in such notice.

7.3 Review of Deposits

- (a) The authority may from time to time review the sum of money deposited by a customer and in accordance with such review -
 - (i) require that an additional amount be deposited by the customer; or
 - (ii) refund to the customer such amount as may be held by the authority in excess of the reviewed deposit.
- (b) If the customer poses a credit risk, the value of the original deposit paid, or a guarantee held may be reviewed from time to time by the Municipality.
- (c) The deposit on an account shall be reviewed when–
 - (i) the Account is paid after the due date;
 - (ii) payment by negotiable instrument or direct debit is dishonoured; or
 - (iii) there is increased consumption of services.
- (d) The Municipality may increase the deposit payable by a customer by up to 12 months average usage.

8. ACCOUNTS MANAGEMENT

8.1 The Municipality will deliver notices and accounts in accordance with section 115 (1)(a) – (e) of the Municipal Systems Act.

8.2 Failure to receive or accept accounts does not relieve a customer of the obligation to pay any amount due and payable. The onus is on the customer to make every effort to obtain a copy of the account or establish the amount payable for payment by due date as indicated on the invoice.



- 8.3 If payment of an account is received after the date referred to in Subsection (6.2), a late payment charge or interest, as provided for in section 11 as may be prescribed, must be paid by the customer to the authority.
- 8.4 The Municipality or an authorized official must, if administratively possible, issue a duplicate account to a customer on request.
- 8.5 Customers are required to update their information details with the Municipality promptly whenever information on record changes and or whenever requested by the Municipality. A failure to update information with the Municipality or a failure to respond to the Municipality's request for updated information may, subject to the principles of administrative justice, result in with-holding of services, disconnection of services or prosecution. Such update of information includes, but is not limited to–
- (a) Details of executors or administrators of deceased estates;
 - (b) Deregistration of a company if the company is the account holder;
 - (c) Details of deceased company directors, members of Close Corporations and trustees of Trusts;
 - (d) Details of deceased partners and;
 - (e) Letters of appointment of a Trustee or Liquidator in the case of an insolvency /liquidation together with contact particulars.
- 8.6 A request for a reconciliation of any account shall be processed after payment of a prescribed fee.
- 8.7 There is no obligation on the Municipality to provide records older than 5 years from the date such records are requested.
- 8.8 Accounts will –
- (a) show the following –
 - (i) the consumption or estimated consumption or assumed consumption as determined for the measuring and or consumption period;
 - (ii) the measuring or consumption period;
 - (iii) the applicable tariff;
 - (iv) the amount due in terms of the consumption;
 - (v) the amount due and payable for any other service rendered by the authority or the authorised agent;
 - (vi) the amount in arrears, if any;
 - (vii) the interest payable on any arrears, if any;
 - (viii) the final date for payment;
 - (ix) the methods, places and the names and location of any authorised agents where payments may be made; and
 - (b) state that –
 - (i) the customer may conclude an agreement with the authority for payment of the arrears amount in instalments, at the authority offices before the final date for payment, if a customer is unable to pay the full amount due and payable;
 - (ii) if no such agreement is entered into the authority will limit the water and sanitation services after sending a final demand notice to the customer; and
 - (iii) that legal action may be instituted against any customer for the recovery of any amount sixty days in arrears.
 - (iv) proof of registration, as an indigent customer, in terms of the authority's indigent policy must be handed in before the final date for payment; and an indigent customer is only entitled to a basic water supply and basic sanitation as defined in the Act and that an indigent customer will be liable for payment



in respect of water and sanitation services used in excess of the quantity of such basic water supply or basic sanitation.

8.9 All payments made to the authority in respect of any amount payable under this Policy, including any arrears, interest or penalties shall be made in cash, by bank guaranteed cheque or by electronic deposit to the authorities banking account, and such payment shall be deemed to have been received when:

- (a) an official receipt is issued therefore by the authority, or
- (b) such amount is credited to the bank account of the authority in such a manner that the authority may immediately deal therewith, whichever is the sooner.

8.10 All payments shall be made only to the offices of the authority or at such other places as the authority may in writing appoint.

9. METERING

9.1 The municipality will endeavour, within practical and financial limits, to provide meters to every paying customer for all metered services.

9.2 All meters will be read monthly, however on exceptional cases the municipality will average the consumption for the preceding month(s).

9.3 Customers are entitled to request verification of meter readings and accuracy within reason but may be held liable for the cost thereof if municipal reading was correct.

9.4 Customers may be informed of meter replacement as the municipality may replace a meter as and when the need arises

9.5 If a service is metered but it cannot be read due to financial and human resource constraints or circumstances out of the control of the municipality or its authorised agent, and the customer is charged for an average consumption the account following the reading of the metered consumption must articulate the difference between the actual consumption and the average consumption, and the resulting credit or debit adjustments.

9.6 An estimated account is determined by calculating an average based on the historic consumption.

10. RESPONSIBILITY FOR AMOUNTS DUE

10.1 In terms of Section 118 (3) of the Systems Act, an amount due for municipal service fees and surcharge on fees, charge upon the property in connection with which the amount is owing against the property. Accordingly —

- (a) The owner of such property shall be liable for charges incurred in connection with such property and all municipal debts must be paid by the owner of such property without prejudice to any claim or right of recovery which the Municipality may have against another person; the Municipality reserves the right to cancel a contract with the customer in default and register the owner of such property for services on the property; and
- (b) Subject to the right to a basic water supply as contemplated in the Water Services Act, 1997 (Act No. 108 of 1997), as amended, the Municipality will not provide any services on the property until all municipal debts on the property have been paid in full or suitable arrangements have been made to pay such debts. The Municipality reserves the right to determine the manner in which access to a basic water supply will be provided.



10.2 Where the property is owned by more than one person, each owner shall be jointly and severally liable, the one paying the other to be absolved, for all municipal debts charged on the property.

(a) Owners with their tenants who are registered as customers shall be held jointly and severally liable, the one paying the other to be absolved, for debts on their property

(b) When a Juristic person opens a Service Account, the directors, members or trustees as the case may be, must sign personal suretyships in favour of the Municipality. Liability for outstanding amounts maybe extended to such directors, members or trustees jointly and severally, the one paying the other to be absolved.

10.3 Should any dispute arise as to the amount owing, the customer shall pay all amounts which are not subject to the dispute that are due and payable, pending the finalisation of the dispute lodged in respect of the specific amount owed by the customer.

10.4 The owner of the property may be held liable for tampering with the water metering equipment on the property as well as charges that arise there from.

10.5 Debtors may be referred to a third-party debt collector and tracing agent.

11. PAYMENT OPTIONS

11.1 The Municipality will endeavour to establish a payment network to ensure that wherever practically possible, customers in receipt of accounts have access to a payment site i.e Ugu District Municipality offices: Preston Street Park Rynie, Connor Street Port Shepstone, Marine Drive Oslo Beach, Musgrave Rd Harding

11.2 The Municipality shall accept payment under the following circumstances–

- (a) Payment by cheque – provided it is a Bank cheque in ALL instance.
- (b) Payment via a Bank cheque, electronic funds transfer (EFT)
- (c) Subject to a. and b. above, the following payment methods are also available:
 - (i) EFT;
 - (ii) Internet Transfers;
 - (iii) Third party collectors appointed from time to time by the Municipality;
 - (iv) Direct Debit; and
 - (v) Debit Order payments.
- (d) The following shall apply for all EFT payments of the customer's arrears accounts:
 - (i) Only proof of payments from customers will be accepted.
 - (ii) The proof of payment will be verified, where applicable, for authenticity (through the submitting bank's website).
- (e) All reconnection requests where services have been disconnected or restricted will ONLY be actioned once the proof of payment has been received and verified.



11.3 Where any direct debit or payment made to the Municipality or an authorised official is later dishonoured by the bank, the Municipality or its authorised official–

- (a) will recover the bank charges incurred relating to that dishonoured payment against the account of the customer.
- (b) may regard such an event as default on payment and the account shall be dealt with as an arrear account; and
- (c) reserves the right to take legal action for recovery of arrears

11.4 The methods of payment shall be determined by the municipality from time to time.

12. FULL AND FINAL SETTLEMENT

12.1 Where the exact amount due and payable has not been paid in full, any lesser amount tendered and receipted, shall not be in full and final settlement of such an account, except when duly accepted in terms of a delegated authority.

12.2 Subsection 10.1 shall prevail notwithstanding the fact that such lesser payment was tendered or receipted in full settlement.

13. CASH ALLOCATION

13.1 In accordance with section 102 of the Systems Act, the Municipality may–

- (a) consolidate any separate accounts of persons liable for payments to the Municipality;
- (b) credit a payment by such a person against ANY account of that person; and
- (c) implement any of the debt collection and credit control measures provided for in this Policy in relation to any arrears on any of the accounts of such a person.

13.2 Any amounts paid may be appropriated to the oldest debt first in the following manner:

- (a) Once off charges
- (b) Sanitation charges (both fixed and variable)
- (c) Water Basic charges
- (d) Interest and administration fees
- (e) Water consumption charges

13.3 Any amount paid by the customer in excess of an existing debt may be held in credit for the customer in anticipation of future fees for municipal services, and no interest will be payable on that amount.

13.4 The Municipality's cash allocation of payment is not negotiable, and the customer may not choose which service to pay.

13.5 Where a customer makes a payment in error into their Ugu District Municipality's account that has a debt outstanding: -

- (a) meant for a different institution,
- (b) where a customer has multiple accounts



the municipality will only refund or transfer the amount in credit after settlement of the debt.

14. INTEREST AND ADMINISTRATIVE CHARGES

14.1 An interest rate of 6.9 % per annum will be raised on overdue accounts that are more than 30 days. This will only apply on the capital portion of the debt.

14.2 The rate of interest will be reviewed on an annual basis as part of the municipality's adopted tariff structure.

14.3 Interest shall accrue 30 days from date of account on unpaid accounts. Interest shall accrue for each completed month in respect of any arrears remaining unpaid after 30 days of the account. A part of a month shall be deemed to be a completed month on the basis that interest is charged as from the first day of the account being in arrears.

14.4 Interest may only be reversed under the following circumstances—

- (a) exemptions as determined by this Policy from time to time;
- (b) if the Municipality has made an administrative error on the account;
- (c) Where any debt has arisen as a result of a faulty meter or the Municipality has applied an incorrect charge, meter constant or tariff due to an administrative error;
- (d) where the Municipality approves such reversal from time to time.

14.5 Where any payment made to the municipality or its authorised agent by negotiable instrument is later dishonoured by the bank, the municipality or its authorised agent:

- (a) may recover the bank charges incurred relating to dishonoured negotiable instruments against the account of the customer
- (b) shall regard such an event as default on payment

14.6 A customer will be liable for any administration fees, costs incurred in taking action for the recovery of arrears and any penalties, including the payment of a higher deposit.

15. PROCUREMENT OF GOODS AND SERVICES AND PAYMENTS IN TERMS OF CONTRACTS

15.1 When submitting a tender for the provision of services or the delivery of goods, each potential tenderer must prove to the satisfaction of the Municipality that all accounts for which the tenderer is liable, have been paid up to date, and that all accounts for which each and every director, member, owner, partner or trustee of the tenderer is liable, have also been paid up to date.

15.2 Before awarding a tender, the Municipal debts of the tenderer and of each director, member, owner, partner or trustee of the tenderer must be paid in full.

15.4 Where payments are due to a creditor of the Municipality, or in terms of any contractual arrangement with the Municipality, any arrear amount owing to the Municipality may be set off against such payments.



15.5 This Policy applies to quotations, public tenders and tenders in terms of section 36 of the Municipality's Supply Chain Management Policy.

16. AGREEMENT WITH EMPLOYERS

16.1 Section 103 of the Systems Act reads as follows—

A Municipality may—

(a) with the consent of a person liable to the Municipality for the payment of fees for municipal services, enter into an agreement with that person's employer to deduct from the salary or wages of that person—

- (i) any outstanding amounts due by that person to the Municipality; or
- (ii) regular monthly amounts as may be agreed.

16.2 In the event that the employee voluntarily chooses to use the method of payment as contemplated in subsection 13.1 for the payment of his or her municipal accounts, the employee may approach the Municipality for the agreement to be concluded.

17. STAFF, COUNCILLORS AND WARD COMMITTEE MEMBERS IN ARREARS

17.1 STAFF

(a) Item 10 of Schedule 2 to the Systems Act (Code of Conduct for Municipal Staff Members) states that—

- (i) a staff member of the Municipality may not be in arrears to the Municipality for rates and service charges for a period longer than three (3) months; and
 - (ii) a Municipality may deduct any outstanding amounts from a staff member's salary after this period; and
- (b) The Municipality shall liaise with the relevant staff on repayment of their arrears.
- (c) No special treatment shall be afforded to staff members whose accounts are arrears.
- (d) Any staff member who has breached the code will be dealt with in accordance with the disciplinary procedures adopted by the Municipality or as prescribed by Law or determined by a Collective Agreement.

17.2 COUNCILLORS

- (a) Item 12A of Schedule 1 to the Systems Act states that a Councillor may not be in arrears to the Municipality for a period longer than three (3) months.
- (b) The Accounting Officer shall liaise with the Speaker and issue the necessary salary deduction instruction where appropriate.



18. ARREAR ACCOUNTS

Disconnection, Restriction and Reconnection of Services

- 18.1 If a customer fails to pay the amount/s due and payable on or before the final date for payment, the unpaid amount is in arrears and a final demand and disconnection notice may be hand delivered or posted, e-mailed, to the most recent recorded address of the customer, within fourteen(14) days.
- 18.2 Failure to deliver or send a final demand notice within fourteen (14) days does not relieve a customer from paying such arrears.
- 18.3 The final demand notice must contain the following statements, in the English or IsiZulu language –
- (a) the amount in arrears and any interest payable;
 - (b) that the customer may conclude an agreement with the authority for payment of the arrears amount in instalments within fourteen (14) days of the date of the final demand notice;
 - (c) that if no such agreement is entered into within the stated period that the water and sanitation services will be limited and that legal action may be instituted against any customer for the recovery of any amounts sixty (60) days in arrears;
 - (d) proof of registration, as an indigent customer, in terms of the authority's indigent policy must be handed in before the final date of the final demand notice.
 - (e) that an indigent customer is only entitled to basic water supply and or basic sanitation, as defined in the Act and in accordance with any regulations adopted by the authority and that an indigent customer will be liable for payment in respect of water and sanitation services used in excess of the quantity of basic services.
- 18.4 Interest may be levied on all arrears at a rate prescribed by the municipality from time to time.
- 18.5 The amount due and payable by a customer constitutes a consolidated debt, and any payment made by a customer of an amount less than the total amount due, will be allocated in reduction of the consolidated debt in the following order –
- (a) towards payment of arrears.
 - (b) towards payment of interest; and
 - (c) towards payment of the current account
- 18.6 The authority may, within fourteen (14) days after the expiry of the due date allowed for payment in terms of the final demand notice –
- (a) limit the provision of water and sanitation services to the defaulting customer; and
 - (b) hand deliver or post, email, to the last recorded address of the customer, a discontinuation notice informing him or her that the provision of water and sanitation services will be disconnected / restricted within fourteen days (14) of the date of the discontinuation notice;
- if –
- (i) no payment was received within the allowed period;
 - (ii) no agreement was entered into for the payment of arrears in instalments;
 - (iii) no proof of registration as indigent was handed in within the fourteen day period allowed; or
 - (iv) no payment was received in accordance with an agreement for payment of arrears.
- 18.7 A discontinuation notice must contain –
- (a) the amount in arrears and any interest payable;
 - (b) a statement that the customer may conclude an agreement with the authority for payment of the arrears amount in instalments, within fourteen (14) days of the date of the discontinuation notice;



- (c) that if no such agreement is entered into within the stated period, the authority may Discontinue/ restrict the provision of water and sanitation services with immediate effect, notwithstanding any legal action instituted or in the process of being instituted against the customer for the recovery of the arrears amount; and proof of registration, as an indigent customer, in terms of the authority's indigent policy must be handed in within fourteen (14) days of the date of the discontinuation notice.

18.8 The authority may, within ten (10) working days after the expiry of the fourteen (14) day period allowed for payment in terms of the discontinuation notice, discontinue/ restrict water and sanitation services to the defaulting customer, if -

- (a) no payment was received within the allowed period;
 - (b) no agreement was entered into for the payment of arrears in instalments;
 - (c) no proof of registration as indigent was furnished within the fourteen (14) day period allowed;
- or
- (d) no payment was received in accordance with an agreement for payment of arrears.

18.9 Where an account rendered to a customer remains outstanding, the defaulting customer may be handed over to a debt collector or an attorney for collection of the amount owing to the authority without prejudice to the right of the authority or the authorised provider to limit or discontinue the water and sanitation services under the provisions of this Policy and Credit Control and Debt Collection By-Law or any other law.

18.10 A customer will be liable for any administration fees, costs incurred in taking action for the recovery of arrears and any penalties, including the payment of a higher deposit.

18.11 No action taken in terms of this section due to non-payment, will be suspended or withdrawn, unless the arrears, any interest thereon, administration fees, additional charges, costs incurred in taking relevant action and any penalties, including the payment of a higher deposit, payable are paid in full.

18.12 The authority will not be liable for any loss or damage suffered by a customer due to his, her or its water and sanitation services being disconnected/ restricted.

18.13 An agreement for payment of the arrears amount in instalments, entered into after the water services was discontinued/ restricted, will not result in the water and sanitation services being restored until the arrears, any interest thereon, administration fees, costs incurred in taking relevant action and any penalties, including payment of a higher deposit, payable are paid in full.

18.14 Reconnections of municipal services will only be allowed when all applicable penalties and fees have been paid and the debt has been extinguished or suitable arrangements have been made to settle the debt.

18.15 Services may be disconnected/ restricted, after due notice has been given, where the-

- (a) owner or tenant is deceased; or
- (b) company, close corporation or trust has been deregistered, and such has not been reported to the Municipality.

18.16 Reconnection of services where services have been disconnected/ restricted in terms of subsection 15 above will be authorised when-

- (a) an executor has been appointed; or
- (b) the Company or Close corporation has been re-registered.



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18.17 Where a municipal service, which is not in the name of the registered owner, has been restricted, disconnected or discontinued, the municipality may, subject to the principles of administrative justice, insist that the service be transferred into the name of such property owner; and

(a) Notwithstanding subsection 17 the municipality may at any other time insist that the service be transferred into the name of such property owner.

18.18 Any additional grounds for disconnecting/ restricting municipal services as set out in the Bylaw, shall be deemed to form part of this Policy.

18.19 Confirmation of tampering of a restricted supply on two occasions may result in the entire water connection being removed. Customers have two options to facilitate the re-instatement of the water supply–

(a) pay the outstanding debt in respect of water services charges in full (including all charges) plus the prevailing costs of a new water connection and penalty charges; or

18.20 If a customer has received a new connection and then tampers with it again, the connection will be removed and will not be replaced until all outstanding water debts have been paid.

18.21 All illegal connections that are found will be removed and owners and occupiers may be prosecuted by a court of law.

18.22 The municipality will endeavour to reconnect water supply within 48hrs after receipt of proof of payment

19. ACKNOWLEDGEMENTS OF DEBT

The Municipality may, at its discretion, enter into an Acknowledgement of Debt and an admission of liability, with customers and owners in arrears with municipal service fees, surcharges on fees, and sundry charges

19.1 DOMESTIC ACCOUNTS

19.1.1 The Municipality recognises that in certain instances domestic customers may experience difficulty with the payment of a lump sum arrear amount and in such instances will accommodate any domestic customer who require paying their arrears over an extended period;

In these instances the Municipality shall require:-

(a) an agreement stipulating:
(i) the extended period;
(ii) the amount payable by the customer;
(iii) any deposits payable.

(b) In such instances all deposits shall be payable either in cash or by bank guarantee.

19.1.2 Each request is treated on its individual merit; however, officials will be guided by the following minimum guidelines in entering into agreements of this nature: -

(a) First time request: -



Credit Control and Debt Collection Policy

- (i) any amount in arrears – a deposit of 10% of the arrear amount is payable immediately with the balance payable over eleven 18 months;
- 19.1.3 In case of a default, a restriction will be effected. The full amount becomes due and payable immediately before re-instatement of the supply
 - (a) In respect of repeat requests by domestic defaulting customers or domestic customers with agreements as envisaged in sub-paragraph (a) above or tampering customers: -
 - (b) any amount in arrears – a deposit of 25% of the arrear amount is payable immediately with the balance payable over eleven (11) months;
- 19.1.4 The arrangement periods up to 36 months shall be authorised at the CFO's discretion, when it is required and taking into consideration the circumstances.
 - (a) A deposit of 10% of the arrear amount is payable immediately excluding pensioner's rebate customers and customers benefiting from the Amnesty program.
- 19.1.5 In case of a default, a restriction will be effected. The full amount becomes due and payable immediately before re-instatement of the supply.
- 19.1.6 Reconnection fees and additional deposits must be paid in full before any agreement as aforesaid can be entered into;
- 19.1.7 In the event of such agreements being negotiated with legal entities, then, the agreement must be duly signed by a duly authorised officer of the same and this must be accompanied by personal sureties of a natural person. All such agreements must be accompanied by a resolution of the entity authorising the signatory to sign as aforesaid;
- 19.1.8 In instances where agreements as envisaged in this clause are entered into, a customer may be required to complete a debit order authority for the payment of the arrears in terms of the agreement.
- 19.1.9 The customer's current account must be paid in full and maintained for the duration of the agreement.
- 19.1.10 The owner of the property is required to give consent in writing to an acknowledgement of debt and admission of liability with the municipality and the tenant.
- 19.1.11 The acknowledgement of debt shall be terminated if the debtor relocates from the property. The balance owing shall become immediately due and payable.

19.2 COMMERCIAL ACCOUNTS

- 19.2.1 In these instances where commercial accounts fall into arrears, the Municipality shall require: -
 - (a) Arrears to be paid in full before water supply is re-instated
 - (b) No instalment arrangement shall be accepted for any commercial account not unless authorised by the CFO.
 - (c) In such instances deposits shall be adjusted and payable either in cash or by bank guarantee
 - (d) Reconnection fees and additional deposits must be paid in full before water supply is re-instated
 - (e) The deposit amount and the period of payment will be at a discretion of the CFO.



Credit Control and Debt Collection Policy

Reconnection fees and any additional deposits must be paid in full before any agreement can be entered into;

19.2.2 In the event of such agreements being negotiated with legal entities, then, the agreement must be duly signed by a duly authorised officer of the same and this must be accompanied by personal sureties of a natural person. All such agreements must be accompanied by a resolution of the entity authorising the signatory to sign as aforesaid.

19.2.2 In instances where agreements as envisaged in this clause are entered into, a customer may be required to complete a debit order authority for the payment of the arrears in terms of the agreement.

19.2.3 The customer's current account must be paid in full and maintained for the duration of the agreement.

19.2.4 The acknowledgement of debt shall be terminated if the debtor relocates from the property. The balance owing shall become immediately due and payable.

20. DEBT RELIEF PROGRAMME

The debt relief programme is aimed at assisting customers who are in arrears for water services charges, for sixty (60) days or more. Customers, excluding officials and Councillors, eligible for the debt relief programme are: -

- (a) those families as detailed in the municipality's Indigent Support Policy and
- (b) any other debt relief programmes as approved by Council as per Annexure A

21. TERMINATION / TRANSFER OF SERVICES

21.1 A customer may terminate an agreement for the provision of water and sanitation services by giving to the authority, not less than 30 days' notice in writing of his or her intention to do so

21.2 The authority may, by notice in writing of not less than thirty (30) calendar days, advise a customer of the termination of his or her agreement for the provision of water and sanitation services if -

- (a) he or she has failed to comply with the provisions of this policy and has failed to rectify such failure to comply on notice in terms of section 11 of the Credit Control and debt Collection By-law or to pay any tariffs or charges due and payable after the procedure set out in section 17 was applied

22. LIMITATION AND DISCONTINUATION OF WATER AND SANITATION SERVICES PROVIDED

22.1 The authority may limit or discontinue water and sanitation services provided in terms of this policy –

- (a) on failure to pay the prescribed tariffs or charges on the date specified, after the provisions of section 15 was applied;
- (b) on failure to comply with any other provisions of this policy, after notice in terms of any provisions of this policy in the form required by section 11 of the Credit Control and debt Collection By-law was given;
- (c) at the written request of a customer;
- (d) if the agreement for the provision of services has been terminated in terms of section 17 and it has not received an application for subsequent services to the premises within a period of ninety (90) days of such termination;
- (e) the building on the premises to which services were provided has been demolished;
- (f) if the customer has interfered with a limited or discontinued service; or
- (g) in an emergency



22.2 The authority will not be liable for any damages or claims that may arise from the limitation or discontinuation of water and sanitation services provided in terms of subsection (1).

23. UNALLOCATED CONSUMPTION

Notwithstanding that a water service may have been disconnected, the registered owner remains liable to monitor his /her property as well as the metering as defined in this Policy. Accordingly, when water consumption is recorded on a property during a period for which there is no registered customer against whom a bill can be raised, the relevant charges for water services shall be raised against the registered owner on his or her consolidated bill. Furthermore, the Municipality has the right to remove relevant Municipal infrastructure (and other components) at the cadastral boundary of the property to ensure that ongoing water consumption, is terminated.

24. REVENUE CLEARANCE CERTIFICATES

24.1 Subject to Sections 118(1) and (1A) of the Systems Act, the following shall apply to the issue of a revenue clearance certificate for the purpose of effecting transfer of a property to a new owner.

(a) Clearance Figures–

- (i) an application shall be made by a conveyancer, in the prescribed format. Each application must be accompanied by the relevant application fee. The application will not be processed until the fee is paid.
- (ii) copies of all current accounts must accompany any application made manually. If the relevant information is not provided, the application will be returned to the conveyancer.
- (iii) the Municipality does not accept responsibility for errors on manual applications. The Conveyancer must check that all details on the application, assessment and the revenue clearance certificate are correct.
- (iv) Service charges are estimated for sixty (60) days based on previous consumption, taking into account any existing Rebate.
- (v) upon the receipt of the revenue clearance certificate request, a letter shall be sent to the nominated Conveyancer notifying him or her about his or her responsibilities to inform both the seller and the purchaser regarding the total amount of municipal outstanding debts charged against the property
- (vi) an “Attorneys’ Report” in respect of all amounts owing and the assessed figures, shall be issued upon the receipt of the request for the report.
- (vii) the assessment shall remain valid for a period of thirty (30) days from the issue date. If payment has not been received within this period, a re-assessment may be required, and payment of a further application fee will apply.
- (viii) any discrepancies may result in delays in the issuing of a revenue clearance certificate, and in addition may result in the levying of additional charges.
- (ix) any amounts paid shall be appropriated to the oldest debt first.
- (x) a separate application is required for each transfer.
- (xi) an assessment in terms of S118 (1) (b) of the Systems Act will only be issued on request by a Conveyancer.
- (xii) A revenue clearance certificate shall be issued within five (5) days of the date of payment of the amount requested in the “Attorneys’ Report”.
- (xiii) Where simultaneous transfers of a property are contemplated, the Conveyancer must apply for a separate revenue clearance certificate in respect of each new transfer.

(b) Payment of clearance figures–



- (i) must be made in cash, EFT payments, direct debit, bank transfers, bank cheques or other instruments accepted by the municipality from time to time.
- (ii) there shall be no refunds on the cancellation of a sale or otherwise.
- (iii) the certificate shall be valid for a period of sixty (60) days from date of issue.
- (c) Information and contact details of the purchaser provided on the revenue clearance certificate shall be used as details of the new owner (purchaser) for the purposes of billing for services and consolidated accounts, until the same has been changed by the purchaser.
- (d) On the date of ownership transfer, the new owner (purchaser) must conclude a new service agreement with the Municipality.
- (e) The purchaser shall furnish to the Municipality with new contact details, in writing, comprising a postal and physical address and such further information as may be determined by the municipality from time to time, prior to the Municipality issuing the revenue clearance certificate.
- (f) If the clearance certificate is issued in terms of Section 118(1)(b), the seller will still be liable to settle any outstanding debt on their account.

25. LEGAL ACTION

25.1 Legal proceedings may be instituted by the Municipality to recover arrear amounts on service accounts, where—

- (a) disconnection action yielded no satisfactory result;
- (b) disconnection action is not possible due to the nature of the services for which the account has been rendered; or
- (c) the arrears are older than ninety (90) days.

25.2 For residential properties occupied by owners, all reasonable steps shall be taken to ensure that the ultimate sanction of judgment and sale-in-execution is avoided or taken as the last resort. The Municipality, however, has total commitment to follow the legal process through to judgment and sale-in-execution should the debtor fail to make use of the alternatives provided for by the Municipality from time to time.

25.3 Once judgment is obtained the properties will be advertised and sold through public auction, unless appropriate settlement has been made to the satisfaction of the Municipality. The Municipality shall assess annually, the appropriate minimum amount below which it will not attach properties. All Collection Charges shall be debited to the relevant debtor's account.

25.5 Proceeds of the Sale in Execution may be appropriated to any of the debtor's accounts in arrears.

25.5 Metering and connection equipment always remain in the ownership of the Municipality and the owner of the property, on which such meters and connection equipment is installed, shall be held responsible for all instances of tampering, damage or theft. Accordingly, the owner of the property concerned is liable for any breach of this duty and may be prosecuted.

25.6 Where a Sectional Title Body Corporate is in arrears, the municipality may apply to court for the appointment of an administrator in terms of Sections 46 and 47 of the Sectional Titles Act 95 of 1986, as amended.



26. DISPUTES

- 26.1 A customer may lodge a dispute in writing in respect of the accuracy of the amount due and payable in terms of an account rendered by the municipality.
- 26.2 The dispute must be submitted on or before the due date for payment specified in the account. If a dispute is raised after this period, it will be treated as an enquiry, the account will not be suspended from the disconnection or restriction list, and normal credit control procedures will apply.
- 26.3 The dispute must relate to a specific amount on the account. Amounts not in dispute must be paid in full. If the amounts not in dispute remains unpaid, services may be discontinued.
- 26.4 Should any dispute arise with respect to the amount owing, the debtor will continue to make regular payments based on the average charges for the preceding three (3) months prior to the dispute, plus interest where applicable.
- 26.5 A query is not regarded as a dispute. A query is a verbal enquiry whereas a dispute must be in writing and lodged with the relevant municipal department or section.
- 26.6 Proven tampering charges are not regarded as a dispute.
- 26.7 The customer must provide the Authorised Official with the account alleged to be in dispute, which includes incorrect readings, misallocation of payments, incorrect tariffs charged and any other relevant information that may be required.
- 26.8 The authority will register the dispute and shall acknowledge receipt within two (2) working days of the receipt thereof and provide the customer with a reference number
- 26.9 The customer has the right to appeal against the decision of the Authorised Official. The CFO may hear representations and either confirm, vary or revoke the decision of the Authorised Official and must communicate his decision within 30 days of date of receipt of the appeal.
- 26.10 A person whose rights are affected by the decision of the CFO may lodge an appeal against that decision within 21 days of the date of notification of the decision, to the Municipal Manager in terms of section 62 of the Systems Act. The appeal must be lodged in writing.

27. INTERNAL LEAKS

- 27.1 Internal leaks may be charged at the lowest tariff, upon approval and submission of the following documents:
- (a) Letter from registered customer requesting reduction of account
 - (b) Letter from a plumber who fixed the leak and copy of the invoice
 - (c) A sworn affidavit by the accountholder where leak was self-repaired
 - (d) Three subsequent water statements after the leak was fixed indicating reduction in consumption
- 27.2 Registered customer shall pay for consumption at the lowest tariff for the months the account was affected by the internal leak whilst awaiting approval and at normal tariffs for any other account



28. REFUNDS

28.1 Credits on accounts shall be refunded, upon application and submission of proof of payment, as follows:

- (a) on a water or sanitation account: to the account holder;
- (b) where the owner pays the tenants account the refund will be paid to the owner;
- (c) on transfer of a property: to the conveyancing attorney or their nominee.

28.2 All accounts will be refunded within three (3) months from date of application

28.3 A refund shall be forfeited after 3 years if it remains unclaimed.

29. PROVISION FOR DOUBTFUL DEBT

FIRST ASSESSMENT

In terms of paragraph 62 of GRAP 104, the municipality first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant.

Since the standard is quite broad in defining significant, the municipality will determine materiality of its debtors from time to time.

This is done by using the detailed age analysis and sorting the debtors' balances from largest to smallest value. The age analysis report is sorted in order to identify the debtors with the highest balance at year end.

SECOND ASSESSMENT

In terms of GRAP, if an entity determines that no objective evidence of impairment exists for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assess them for impairment.

The municipality has the following categories of debtors: -Business, Private Individuals and Government.

The municipality is responsible for providing services to the community. In the absence of information that suggests otherwise, these members of the community can be seen to fall within the same credit risk profile. This includes Business, Private Individuals including Indigent Support beneficiaries.

Government debt is then seen as a financial asset falling within a different credit profile to the usual community consumers. For all intents and purposes, all intergovernmental debt should be fully collectible. However, government departments have not been seen to be settling their debt within the normal period and will therefore be subjected to the provision calculation.

The impairment loss will be calculated as the difference between the assets carrying amount and the present value of estimated future cashflows discounted at the financial assets original effective interest rate.

The past payment history of consumer debtors is used as the basis to estimate the future cashflows. Once the estimated cashflow is established, it is then discounted at the effective interest rate.

The difference between the carrying value and the discounted cashflows is then the provision amount.



30. DECEASED ESTATES

30.1 The Executor of a Deceased Estate shall be liable for payment of all debts on the property.

30.2 For the purposes of liability for an account, including a consolidated account, the occupier or occupiers of a property which vests in a deceased estate where neither an executor nor administrator has been appointed, will be regarded as the Deemed Owner. The municipality may request a deemed owner to sign a services agreement. Where there is more than one occupier on the property, every occupier will be jointly and severally liable for an account or consolidated account.

30.3 "Deemed Ownership" does not confer any rights on an occupier other than the liability to pay the accounts.

30.4 In accordance with subsection 16 (15) (a), failure to inform the Municipality that the property forms part of a deceased estate may result in the disconnection of services, until an executor has been appointed.

31. IRRECOVERABLE DEBT

31.1 Debt will only be considered as irrecoverable if it complies with one or more of the following criteria—

- (a) all reasonable notifications and cost-effective legal avenues have been exhausted to recover a specific outstanding amount;
- (b) any amount equal to or less than R500.00, or as determined by Council from time to time, will be considered too small, after having followed basic checks, to warrant further endeavours to collect it;
- (c) the cost to recover the debt does not warrant further action;
- (d) it has been proven that the debt has prescribed;
- (e) the debtor is untraceable or cannot be identified so as to proceed with further action;
- (f) the debtor has emigrated leaving no assets of value to cost-effectively recover the Municipality's claim;
- (g) it is not possible to prove the debt outstanding;
- (h) a court has ruled that the claim is not recoverable;
- (i) the claim is subject to any order of court;
- (j) the claim is subject to an out of court settlement agreement;
- (k) the debt is subject to a settlement in terms of section 109 of the Systems Act;
- (l) the Municipality has resolved that the debt is irrecoverable;
- (m) if an offer of Full and Final Settlement is accepted and confirmed in writing by the Head: Legal and CFO if it has financial implications;
- (n) the outstanding amount is—
 - (i) as a result of an administration error;
 - (ii) an interest as a result of a property debt that arose prior to the current owner taking transfer and successive transfers before his; or
- (o) expenditure incurred in respect of internal accounts raised in the name of the Municipality, in any previous financial year;
- (p) conversion of old dormant account balances of debtors, inherited from the previous municipalities which now form part of the Municipality, and where reasonable steps have been taken to recover these debts; or
- (q) where the Municipality—
 - (i) expropriates any property; or
 - (ii) purchases any property in terms of its Sales in Execution.

31.2 Provided there is sufficient provision for bad debt, the CFO shall write off any revenue which is irrecoverable or the recovery of which is considered not to be reasonably practicable.

31.3 The CFO must report to Council all amounts that have been written off as irrecoverable with the Section 71 MFMA report.



32. LEASES

32.1 Persons who lease property from the Municipality for the purposes of any business or trade must sign a surety agreement covering all debt incurred on the said property during the duration of the lease.

32.2 Where the lessee is a company or close corporation, the directors or members are required to sign a personal surety covering all debt incurred on the said property during the duration of the lease.

32.3 Municipal service accounts must be opened in the name of the lessee only.

33 MISREPRESENTATIONS

33.1 Any person who has received any benefit or relief in terms of this Policy and who has misrepresented themselves in order to qualify for such benefit or relief will be deemed to have committed an offence and remedial measures will be taken in a manner as determined by the Municipality from time to time, and the municipality–

(a) Will reverse all benefits and relief received;

(b) Will raise any fee, as determined by Council from time to time, as set out in the Tariff Policy; and

(c) Will cancel any Credit Authority and all amounts due to the Municipality will become payable immediately.

33.2 The Municipal Manager shall report any misrepresentation in terms of this Policy to the South African Police Services.

34 MONITORING AND EVALUATION

The Chief Financial Officer shall report monthly to the Municipal Manager in a suitable format to enable the Municipal Manager to report to the Finance Committee, who will report to the Executive Committee who will report to Council

35 COMMENCEMENT OF THE POLICY

The policy shall commence upon approval by Council

36 AMENDMENTS AND/OR ABOLITION

Any amendments and /or abolition will have to be approved by the Council

37 COMPLIANCE AND ENFORCEMENT

The policy will be in accordance with the Acts, guidelines and all relevant legislations

38 POLICY REVIEW

The policy will be reviewed on an annual basis



Records of Approval

Meeting	Date	Resolution
Review 2021/2022		
Policy Review Committee	20 January 2022	Recommended to MANCO
MANCO	24 January 2022	Recommended to Portfolio Committee on Finance
Portfolio Committee on Finance	03 February 2022	Recommended to EXCO
EXCO	06 March 2022	Recommended to Council
Council	26 May 2022	Approved
Review 2022/2023		
Policy Review Committee	10 February 2023	Recommended to MANCO
MANCO	24 April 2023	Recommended to Portfolio Committee on Finance
Portfolio Committee on Finance	16 May 2023	Recommended to EXCO
EXCO	17 May 2023	Recommended to Council
Council	25 May 2023	Approved
Review 2023/2024		
Policy Review Committee	14 February 2024	Recommended to MANCO
MANCO		
Portfolio Committee on Finance		
EXCO		
Council		

REVIEWED

By N.Msomi at 3:16 pm, Mar 05, 2024

APPROVED

By N.Msomi at 12:33 pm, Mar 06, 2024



ANNEXURE A – DEBT RELIEF PROGRAMS AS APPROVED BY THE MUNICIPAL COUNCIL

1. AMNESTY FOR RESIDENTIAL CUSTOMERS

Ugu District Municipality is offering residential customers with A ONCE OFF AMNESTY ON DEBT THAT IS OVER 120 DAYS as at 31 August 2021 which will be in line with the following conditions: -

1. The customer must undertake to pay 50% of the debt over 120 days as at 31 August 2021 as per the following categories

Category 1

Accounts of which 50% of the debt that is over 120 days are paid **within 30 days** after the signing of the amnesty application forms will be written off by 50% of debt that is over 120 days as at 31 August 2021.

Category 2

Accounts of which 50% of the debt that is over 120 days are paid **within 60 days** after the signing of the amnesty application forms will be written off by 40% of their debt that is over 120 days as at 31 August 2021.

Category 3

Accounts of which 50% of the debt that is over 120 days are paid **within 90 days** after the signing of the amnesty application forms will be written off by 30% of their debt that is over 120 days as at 31 August 2021.

Category 4

Accounts of which 50% of the debt that is over 120 days are paid **within 120 days** after the signing of the amnesty application forms will be written off by 20% of debt that is over 120 days as at 31 August 2021.

Category 5

Accounts of which 50% of the debt that is over 120 days are paid **within 150 days** after the signing of the amnesty application forms will be written off by 10% debt that is over 120 days as at 31 August 2021.

For more information, please contact the municipality via email enquiries@ugu.gov.za



2. WAIVER OF INTEREST, PENALTIES AND COLLECTION CHARGES ON ARREAR ACCOUNTS

Ugu District Municipality is offering all arrear services account holders, WAIVER OF INTEREST, PENALTIES AND COLLECTION CHARGES as per the following conditions: -

- The capital portion of the arrear amount owed to Ugu District municipality must be paid in full.
- In an event of a defended/ litigated matter, should the defendant wish to take advantage of this amnesty offer they may do so however defendant will be liable for all legal costs which will need to be paid in full in order to qualify

A quote of the outstanding capital amount can be requested from the municipality via email enquiries@ugu.gov.za

Please note that payment must reflect on Council's bank account before a waiver can be considered.

For more information, please contact the municipality via email enquiries@ugu.gov.za



3. PENSIONER'S REBATE

Ugu District Municipality is offering rebate to all account holders that are pensioners if they meet the following conditions: -

Criteria

Owners as per Deeds for Urban customers

Owners as per the PTO/ Letter from Tribal Authority for Rural customers

60 years and over

Own only 1 fixed property and reside in it,

South African resident

Benefit

50% initial write-off

100% rebate on basic charges

Conditions

If there is an outstanding debt an arrangement to pay off the debt must be signed as per the Credit Control and Debt Collection Policy, and the current account must be kept up to date.

Duration

36 months

Exclusions

Customers already benefiting from Indigent Support should be excluded.

Multi-unit residential - bulk users and Non-Government Organizations are excluded.

Avenues for enquiries and submissions

The forms are available from the Ugu offices, can be requested electronically via email to enquiries@ugu.gov.za and telephonically on our toll-free number 08000 92837



Credit Control and Debt Collection Policy

The completed forms can be submitted at any of the Ugu offices or electronically to indigent@ugu.gov.za

[Weekdays between 7:30am to 4:00pm](#)

All supporting documents must be certified by Commissioner of Oaths, not older than 3 months.





UGU DISTRICT MUNICIPALITY

Policy Custodian	BTO
Policy Name	Funding and Reserves Policy
Policy Number	5/2/P
Status	Review
Date	2023/2024 FY
Approved by	Council
Date First Approved	28 June 2018
Date Last Approved	25 May 2023
Date for Next Review	2024/2025 FY

RECEIVED

By N.Msomi at 12:44 pm, Mar 04, 2024



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PREAMBLE

1. Section 8(1) of the Municipal Budget and Reporting Regulations prescribes that a Municipality must have a Funding and Reserve Policy; and
2. Section 168(1) of the MFMA allows the Minister, acting with the concurrence of the Cabinet member responsible for local government, to make regulations or guidelines applicable to municipalities and municipal entities; and
3. The MFMA aims to modernise budget and financial management practices by placing local government finances on a sustainable footing in order to maximize the capacity of municipalities to deliver services to all residents, customers, users and investors; and
4. As the aforementioned provides for a Municipal Funding and Reserve Policy; and
5. Therefore, Ugu District Municipality Council adopts the Municipal Funding and reserve policy as set out in this document.

1. INTRODUCTION

- 1.1 The Funding and Reserves policy aims to ensure that the Municipality has sufficient funding in order to achieve its objectives through the implementation of its operating and capital budgets.
- 1.2 This Policy aims to set guidelines towards ensuring financial viability over both the short- and long-term which includes reserves requirements.

2 DEFINITIONS

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

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

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

“Council” means the Council of Ugu District Municipality

“MFMA” means the Municipal Finance Management Act, 2003 (Act No 56 of 2003)



“Municipality” means Ugu District Municipality

“GRAP” means Generally Recognised Accounting Practices standards.

3 OBJECTIVES OF THE POLICY

The objectives of this Policy are to:

- 3.1 Ensure that the Medium-Term Revenue/Expenditure Framework (Annual Budget) of the Municipality is appropriately funded.
- 3.2 Ensure that cash resources and reserves are maintained at the required levels to avoid unfunded liabilities.
- 3.3 To achieve financial stability in order to provide sustainable levels of service delivery to the community.

4 REGULATORY FRAMEWORK

The legislative framework governing funding of the Annual Budget is:

- 4.1 Local Government Municipal Finance Management Act, 2003 (Act No. 56 of 2003); and,
- 4.2 Local Government: Municipal Budget and Reporting Regulation, Regulation 393, published under Government Gazette 32141, 17 April 2009.
- 4.3 Budget Policy
- 4.4 Credit and Debt Collection Policy
- 4.5 Borrowing Policy

5 FUNDING OF THE ANNUAL BUDGET

5.1 An annual budget may only be funded from:

- 5.1.1 Cash backed accumulated funds from previous years' surpluses and reserves not committed for any other purpose.
- 5.1.2 Realistically anticipated revenues to be collected.
- 5.1.3 Borrowed funds only for capital expenditure, and
- 5.1.4 Grants and subsidies.



- 5.2 Realistic anticipated revenue projections must take into account:
 - 5.2.1 Projected revenue for the current year based on the previous year's billing information.
 - 5.2.2 Actual revenue collected in previous financial years.

6 **OPERATING BUDGET**

- 6.1 The operating budget provides funding to departments for their medium-term expenditure as planned. The Municipality categorizes services rendered to the community according to its revenue generating capabilities in line with the tariffs policy.
 - 6.1.1 Trading services – services that generate surpluses that can be used for cross subsidization to fund other services.
 - 6.1.2 Economic services – services that break even with no surpluses.
 - 6.1.3 Rates and general services – services that are funded by surpluses generated by trading services, and/or other revenues generated such as, interest received, grants and subsidies etc.
- 6.2 The operating budget is funded from the following main sources of revenue:
 - 6.2.1 Surpluses generated from service charges.
 - 6.2.2 Government grants and subsidies.
 - 6.2.3 Other revenue, interest received etc.
 - 6.2.4 Cash backed accumulated surpluses from previous years not committed for any other purposes.
- 6.3 The following guiding principles apply when compiling the operating budget:
 - 6.3.1 The annual budget must be balanced and funded.
 - 6.3.2 Growth parameters must be realistic considering the current economic conditions.
 - 6.3.3 Tariff adjustments must be realistic, taking into consideration the general inflation, affordability, bulk increases, and the demand according to the approved Integrated Development Plan (IDP).
 - 6.3.4 Revenue from government grants and subsidies must be in line with allocations gazette in the Division of Revenue Act and provincial gazettes.
 - 6.3.5 Revenue from public contributions, donations or any other grants may only be included in the budget if there are acceptable documentation that guarantees the funds such as:
 - 6.3.5.1 Signed service level agreement.



6.3.5.2 Contract or written confirmation; or

6.3.5.3 Any other legally binding document.

6.3.5.4 Projected revenue from service charges must be realistic based on current and past trends with expected growth considering the current economic conditions. The following factors must be considered for each service when applicable:

6.3.5.4.1 Metered services namely water:

- aa) The consumption trends for the previous financial years.
- bb) Envisaged water restrictions when applicable; and
- cc) Actual revenue collected in previous financial years.

6.3.5.4.2 Sewerage services:

- aa) The actual number stands/consumer points receiving the service and the consumption trends per category; and
- bb) Actual revenue collected in previous financial years.

6.5.5.2.1 Rebates, exemptions or reductions for service charges are budgeted either as revenue foregone or as expenditure most often (grant) as per directive in MFMA Budget Circular 51 depending on the conditions thereof.

6.5.5.2.2 Other projected income is charged in terms of the approved sundry\ tariffs and fines considering the past trends and expected growth for each category.

6.5.5.2.3 Provision for revenue that will not be collected is made against the expenditure item bad debt and based on actual collection levels for the previous financial year and the projected annual non-payment rate.

6.5.5.2.4 Interest received from actual long-term and or short-term investments are based on the amount reasonably expected to be earned on cash amounts available during the year according to the expected interest rate trends. The actual amount allocated for interest on investments is contributed to the Capital Replacement Reserve.



- 6.5.5.2.5 Transfers from the accumulated surplus to fund operating expenditure will only be allowed for specific once-off projects and with no recurring operating expenditure resulting there from.
- 6.5.5.2.6 Transfers from the accumulated surplus to offset the increased depreciation charges as a result of the implementation of GRAP 17 will be phased out over a number of years.
- 6.5.5.2.7 A detailed salary budget is compiled on an annual basis. All funded positions are budgeted for in total and new and/or funded vacant positions are budgeted for six months only of the total package considering the recruitment process. As a guiding principle, the salary budget should not exceed the parameter (percentage) of the aggregate operating budget component of the annual or adjustments budget, the parameters as may be contained in the budget circular issued by National Treasury from time to time.
- 6.5.5.2.8 (Depreciation charges are fully budgeted for according to the asset register and to limit the impact of the implementation of GRAP 17 a transfer from the accumulated surplus is made) However the annual cash flow requirement for the repayment of borrowings must fully be taken into consideration with the setting of tariffs.
- 6.5.5.2.9 To ensure the health of municipal assets, sufficient provision must be made for the maintenance of existing and infrastructure assets based on affordable levels, resulting that maintenance budgets are normally lower than the recommended levels. Therefore, the mere reduction of maintenance budgets to balance annual budgets must carefully be considered. As a guiding principle, repair and maintenance should constitute between 5 and 8% of the carrying value of the property, plant and equipment and should annually be increased incrementally until the required targets are achieved.
- 6.5.5.2.10 Individual expenditure line items are to be revised each year when compiling the budget to ensure proper control over expenditure. Increases for these line items must be linked to the average inflation rate and macro-economic indicators unless a signed agreement or contract stipulates otherwise.

7 CAPITAL BUDGET

- 7.1 The capital budget provides funding for the Municipality's capital programme based on the needs and objectives as identified by the community through the Integrated Development Plan and provides for the eradication of infrastructural backlogs, renewal and upgrading of existing infrastructure, new developments and expansion of bulk infrastructure.



- 7.2 Capital expenditure may only be incurred on a capital project if:
 - 7.2.1 The funding for the project has been appropriated in the capital budget.
 - 7.2.2 The total cost for the project has been approved by Council.
 - 7.2.3 The future budgetary implications and projected cost covering all financial years until the project is operational has been considered.
 - 7.2.4 The implications of the capital budget on municipal tax and tariff increases been considered.
 - 7.2.5 The sources of funding are available and have not been committed for other purposes.
- 7.3 Provisions on the capital budget will be limited to availability of sources of funding and affordability. The main sources of funding for capital expenditure are:
 - 7.3.1 Accumulated cash backed internal reserves.
 - 7.3.2 Borrowings.
 - 7.3.3 Government grants and subsidies; and
 - 7.3.4 Public donations and contributions.
- 7.4 The following guiding principles apply when considering sources of funding for the capital budget:
 - 7.4.1 Government grants and subsidies:
 - 7.4.1.1 Only gazette allocations or transfers as reflected in the Division of Revenue Act or allocations as per provincial gazettes may be used to fund projects.
 - 7.4.1.2 The conditions of the specific grant must be taken into consideration when allocated to a specific project; and
 - 7.4.1.3 Government grants and subsidies allocated to specific capital projects are provided for on the relevant department's operating budget to the extent the conditions will be met during the financial year.
- 7.5 In the case of public contributions, donations and/or other grants, such capital projects may only be included in the annual budget if the funding is guaranteed by means of:
 - 7.5.1 Signed service level agreement.
 - 7.5.2 Contract or written confirmation; and/or
 - 7.5.3 Any other legally binding document.



- 7.6 Public donations, contributions and other grants are provided for on the relevant department's operating budget to the extent the conditions will be met during the financial year.
- 7.7 The borrowing requirements, to be used as a basis to determine the affordability of external loans over the Medium-Term Income and Expenditure Framework. The ratios to be considered to take up additional borrowings:
 - 7.7.1 Long-term credit rating of BBB;
 - 7.7.2 Interest cost to total expenditure to not exceed 8%;
 - 7.7.3 Long-term debt to revenue (excluding grants) not to exceed 45%;
 - 7.7.4 Collection rate of above 95%;
 - 7.7.5 Percentages of capital charges to operating expenditure less than 18%.
- 7.8 Allocations to capital projects from cash backed internal reserves will be based on the available funding for each ring-fenced reserve according to the conditions of each reserve as follows:
 - 7.8.1 Infrastructure projects to service new developments and the revenue is received through the sale of stands/land/site must be allocated to the capital reserve for services.
 - 7.8.2 Capital projects of a smaller nature such as office equipment, furniture, plant and equipment etc. must be allocated to the capital reserve from revenue which is funding from the revenue budget for that specific year. A general principle is that these types of capital expenditure should not exceed more than 1% of total operating expenditure.
 - 7.8.2.1 Capital projects to replace and/or upgrade existing assets may be allocated to the capital replacement reserve.
 - 7.8.2.2 Capital projects to upgrade bulk services will be allocated to the capital bulk contributions reserve for each service.
- 7.9 All capital projects have an effect on future operating budget therefore the following cost factors should be considered before approval:
 - 7.9.1 Additional personnel cost to staff new facilities once operational.
 - 7.9.2 Additional contracted services, that is, security, cleaning etc.
 - 7.9.3 Additional general expenditure, that is, services cost, stationery, telephones, material etc.
 - 7.9.4 Additional other capital requirements to the operate facility, that is, vehicles, plant and equipment, furniture and office equipment etc.
 - 7.9.5 Additional costs to maintain the assets.



- 7.9.6 Additional interest and redemption in the case of borrowings.
- 7.9.7 Additional depreciation charges.
- 7.9.8 Additional revenue generation. The impact of expenditure items must be offset by additional revenue generated to determine the real impact on tariffs.

8 CASH FLOW MANAGEMENT

- 8.1 The availability of cash is the most important requirement for financial sustainability and must be closely monitored by the Chief Financial Officer. In doing so the Chief Financial Officer must ensure a minimum cash on hand to cover 90 days' operational expenditure.
- 8.2 Surplus cash not immediately required for operational purposes must be invested in terms of the Municipality's Cash Banking and Investment Policy to maximise the return on cash.

9 MANAGEMENT OF DEBTORS

- 9.1 Debt is managed in terms of the Municipal credit control and debt collection policy.
- 9.2 The provision for bad debts is budgeted as an expense and is based on the projected annual non-payment rate for each service.

10 DONATIONS, GRANTS AND SUBSIDIES.

- 10.1 Revenue from donations or any other grants may only be included in the budget.
if there is acceptable documentation that guarantees the funds such as:
 - 10.1.1 Signed service level agreement.
 - 10.1.2 Contract or written confirmation; or
 - 10.1.3 Any other legally binding document.
- 10.2 The conditions of the specific grant must be taken into consideration when allocated to a specific project. Government grants and subsidies allocated to specific capital projects are provided for on the relevant department's operating budget to the extent that the conditions will be met during the financial year.



11 THE CAPITAL REPLACEMENT RESERVE

- 11.1 All reserves must be “*ring fenced*” and “*cash backed*” as internal reserves within the accumulated surplus, except for provisions as allowed by GRAP.
- 11.2 Once the Municipality has reached its maximum gearing ability, no further borrowings can be taken up. The Municipality must invest in a capital replacement reserve. This reserve provides internal funding for the Municipality’s capital replacement and renewal programme. Contributions to the capital replacement reserve through the operating budget will be:
- a) Interest received on investments.
 - b) Proceeds from sale of assets.

12 THE INFRASTRUCTURE IMPROVEMENT

This supplement capital expenditure for the necessary expansions and upgrading of bulk infrastructure. Revenue generated from Infrastructure Improvement Fee is allocated to this reserve for each applicable service. The unspent contributions must be cash backed to ensure availability of cash when the infrastructure upgrades are required.

13 PROVISIONS

A provision is recognized when the Municipality has a present obligation as a result of a past event and it is probable, more likely than not, that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are revised annually and those estimates to be settled within the next twelve (12) months are treated as current liabilities.

The Municipality has the following provisions:

13.1 Leave provision.

Liabilities for annual leave are recognized as they accrue to employees. An annual provision is made from the operating budget to the leave provision. Due to the fact that not all leave balances are redeemed for cash, only 75% of the leave provision is cash backed.



13.2 Long services awards

Municipal employees are awarded leave days according to years in service at year end. Due to the fact that not all long service leave balances are redeemed for cash, only 75% of the long service leave provision is cash backed.

13.3 Post-employment medical care benefits

The Municipality provides post-retirement medical care benefits by subsidizing the medical aid contributions to retired employees and their legitimate spouses. The entitlement to post-retirement medical benefits is based on employees remaining in service up to retirement age and the completion of a minimum service period. The expected cost of these benefits is accrued over a period of employment.

14 OTHER ITEMS TO BE CASH BACKED

14.1 Unspent conditional grant funding

Revenue received from conditional grants is recognized as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. Amounts in relation to the unspent grant funding are therefore retained in cash and are not available to fund any other items on the operating or capital budget other than that for which it was intended for.

14.2 Consumer Deposits

Consumer deposits are partial security for a future payment. Deposits are considered a liability as the deposit is utilized once the agreement is terminated. The funds are owed to consumers and can therefore not be utilized to fund the operating or capital budget. Consumer deposits should be retained in cash and be ring-fenced.

15 POLICY REVIEW

This Policy will be reviewed annually to ensure that it complies with changes in applicable legislation and accounting standards.



16 COMPLIANCE AND ENFORCEMENT

16.1 Violation of or non-compliance with this Policy may give a just cause of disciplinary steps to be taken.

16.2 It will be the responsibility of Accounting Officer to enforce compliance with this Policy.

17 EFFECTIVE DATE

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

Records of Approval

Meeting	Date	Resolution
Review 2021/2022		
Policy Review Committee	20 January 2022	Recommended to MANCO
MANCO	24 January 2022	Recommended to Portfolio Committee on Finance
Portfolio Committee on Finance	03 February 2022	Recommended to EXCO
EXCO	06 March 2022	Recommended to Council
Council	26 May 2022	Approved
Review 2022/2023		
Policy Review Committee	10 February 2023	Recommended to MANCO
MANCO	24 April 2023	Recommended to Portfolio Committee on Finance
Portfolio Committee on Finance	16 May 2023	Recommended to EXCO
EXCO	17 May 2023	Recommended to Council
Council	25 May 2023	Approved
Review 2023/2024		
Policy Review Committee	14 February 2024	Recommended to MANCO
MANCO		



Funding and Reserves Policy

Portfolio Committee on Finance		
EXCO		
Council		

REVIEWED

By N.Msomi at 12:45 pm, Mar 04, 2024

APPROVED

By N.Msomi at 12:45 pm, Mar 04, 2024



UGU DISTRICT MUNICIPALITY



Policy Custodian	BTO
Policy Name	Indigent Support Policy
Policy Number	17/1/10/P
Status	Review
Date	2023/2024
Approved By	Council
Date First Approved	2005/2006
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RECEIVED

By N.Msomi at 2:01 pm, Mar 05, 2024



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Indigent Support Policy

PREAMBLE

WHEREAS section 74 of the Local Government: Municipal Systems Act, No. 32 of 2000, requires that the Council should, in formulating a Tariff Policy for the municipality, at least take into consideration the extent of subsidisation of tariffs for poor households.

WHEREAS Council therefore needs to approve an Indigent Support Policy.

WHEREAS such policy must provide procedures and guidelines for the subsidisation of basic services and tariff charges to its indigent households; and

WHEREAS the Council has committed itself to render a basic level of services necessary to ensure an acceptable and reasonable quality of life, which considers health and environmental considerations.

NOW THEREFORE the Council of the Ugu Municipality has adopted the Indigent Support Policy set out hereunder:

1. INTRODUCTION

The Indigent Support Policy is a legal imperative, a tool designed to ensure that persons and households classified as indigent have access to basic services as defined in the Constitution of the Republic of South Africa, Act No 108 of 1996. The policy is a result of continuous prevalence of indigence and poverty within communities. This policy therefore is a tool of intervention to alleviate the plight and to encourage indigent households to live within affordable consumption levels. The Indigent Support Policy is aimed at ensuring that the State fulfil its constitutional obligation contained in the Bill of Rights. This policy must be read in conjunction with the Credit Control Policy and applicable legislative frameworks.

2. DEFINITIONS

For the purpose of this policy, any word or expression to which a meaning has been assigned in the Act, shall bear the same meaning in this policy, and unless the context indicates otherwise –

“Act” means the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), as amended from time to time

“Authorised Officer” means any official of the Municipality who has been authorised by the Council to administer, implement and enforce the provisions of this Policy;

“by-law” means a by-law adopted by the Council;

“Municipal manager” means the Accounting Officer of the Municipality;

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

“Flow of water” means the amount of water flowing pass a valve per unit of time.



Indigent Support Policy

“Indigent criteria” means any household which is responsible for the payment of services, including a child headed household, earning a combined gross income equivalent to or less than two time the government pension grant as prescribed by the National Department of Social Development or in line with the National Indigent Framework issued by the Department of Local Government (DPLG), who qualify, according to the policy for subsidy support or service subsidy, provided that child support grant is not included when calculating such household income;

“Indigent person” a person lacking the basic necessities of life in respect of water and sanitation services, who meets the criteria for indigent support as per the policy

“Indigent Register” is the list of all beneficiaries of the Indigent Support subsidy

“Indigent Support” means assistance to the poor and the needy that qualify as per criteria set out by Council;

“Indigent Tariff” means a set amount linked to a specific service as advertised by the Council;

“Municipality” means Ugu District Municipality;

“Services” means the basic services referred to in this Policy;

“Household” means all the people who permanently reside in the dwelling;

“Dwelling” means property registered in the deeds office or allocated to a family by the Traditional Authority, with an Ugu water connection

“Annexure A” being the new application for Indigent Support

“Annexure B” being the renewal application for Indigent Support

3. POLICY OBJECTIVE

The objective of this Policy is to ensure the following:

- 3.1 The provision of basic services to the community in a sustainable manner, within the financial means of the Municipality; and
- 3.2 To provide procedures and guidelines for the subsidisation of service charges to its indigent households, using a portion or the whole of the Equitable Share for this purpose.
- 3.3 The municipality also recognises that many of the residents can simply not afford to pay the required service charges and the municipality will endeavour to ensure affordability through:
 - 3.3.1 Setting tariffs which will balance the economic viability of continued service delivery; and
 - 3.3.2 Determine appropriate service levels.
- 3.4 The Council will be guided by the following principles in implementing this policy:
 - 3.4.1 Due regard shall be had to the Constitution of the Republic of South Africa, the Local Government: Municipal Systems Act, 2000, and other relevant legislation;
 - 3.4.2 Relief provided under this policy must, to the extent that is practicable, be practical, fair, equitable and justifiable, in order to avoid alienating any group or groups;
 - 3.4.3 Bureaucratic administration of the policy must be efficient;



Indigent Support Policy

4. LEGISLATIVE FRAMEWORK

4.1 The Constitution of the Republic of South

Africa, 1996

4.2 The Municipal Systems Act, 2000 (Act 32 of 2000)

4.3 The Municipal Finance Management Act, 2003 (Act 56 of 2003)

4.4 National Framework for Municipal Indigent Policies

4.5 Guidelines for Municipal Indigent Policies, 2006

4.6 Credit Control and Debt Collection Policy

4.7 Protection of Personal Information Act 4 of
2013

5. POLICY APPLICATION

5.1 The scope of this policy extends to all indigent households within the area of jurisdiction of the Ugu District Municipality area.

5.2 Strenuous efforts are made to ensure that all who qualify as indigent are recognized and receive all services, and rebates that they are entitled to.

5.3 The Indigent Support Programme must be accessible to all qualifying indigent persons.

6. CRITERIA FOR QUALIFICATION FOR INDIGENT SUPPORT

6.1 The indigent subsidy shall apply to a household per dwelling and not an individual.

6.2 The property must be zoned residential.

6.3 The total gross monthly income of all members of the household must not exceed two old age grants (excluding disability and child grant).

6.4 Indigent support will apply to all households whose total monthly income is less than or equal to the above-mentioned amount, irrespective of the source of income.

6.5 Child headed household's dependant on foster care social grants qualify.

6.6 The applicant as well as any other member of the household shall not own other fixed property other than the one on which they reside, whether within or outside of the municipal area.

6.7 Multi-unit residential - bulk users and Non-Government Organizations are excluded from this Policy.

6.8 The indigent subsidy is eligible to South African residents only.

7. APPLICATION FOR INDIGENT SUPPORT AND REQUIREMENTS



Indigent Support Policy

- 7.1 The legal owner of a dwelling who is responsible for the payment of the water and sanitation services account must apply for the household to be registered as indigent.



Indigent Support Policy

- 7.2 Application forms are available from any of the of the Ugu District Municipality offices (see Schedule A) and can also be posted or emailed on request and the following documents should be submitted together with the application form:
- a) Certified copies of identity documents for household members 18 years and above.
 - b) Certified copies of birth certificates of household members younger than 18 years.
 - c) Certified copies of proof of income or written affidavits confirming status of employment or circumstances from each household member 18 years and above
 - d) Proof of ownership (urban) or occupancy (rural) e.g. Title deed (urban), letter from Ward Councillor confirming occupancy status or Permit to Occupy (rural)
 - e) Where property owner or account holder is deceased, a legal document proving ownership or inheritance and a certified copy of the death certificate
 - f) completed and certified Indigent Application form.
- 7.3 Certification on all documents should not be older than 3 months.

8. AVENUES FOR SUBMISSION OF APPLICATION FORMS

- 8.1 Submit through Ward Councillor.
- 8.2 Submit to any of Ugu District Municipality offices as indicated in Schedule A below: -
- a) Head Office Address: 28 Connor Street, Port Shepstone, 4240
 - b) Park Rynie Office: 1 Preston Rd, Park Rynie, 4182
 - c) Oslo Beach Office, 96 Marine Drive, Oslo Beach, 4240
 - d) Harding Office, 186 Musgrave Street, Harding, 4680
- 8.3 Emailed application forms are also acceptable to the following email address Indigent@ugu.gov.za

9. PROCESSING OF INDIGENT SUPPORT APPLICATION

- 9.1 Upon receipt of the completed Indigent Support Application with relevant documents attached as set out in either Annexure "A" or "B" all documents are checked, and ownership verified on systems available to the Municipality and a reference number inserted onto each application as provided by the Billing-System and application uploaded.
- 9.2 Thereafter the application is sent to the Free Basic Services Coordinator and a letter is sent to applicant if more information is required. If all the required information and the applicant meets the criteria, the application will be approved, and the credit will be processed for debt outstanding on approval.
- 9.3 Payments received whilst approving indigent support will be written back to Indigent Support.
- 9.4 The status will be updated on the Billing System and the tariff changed to the Indigent tariff as set out by Council annually.



Indigent Support Policy

- 9.5 Updating of the Indigent Support Application register.
- 9.6 The application will be processed within twenty-one (21) working days of receipt by the Municipality.
- 9.7 A letter informing the applicant of the status of the application will be sent to the applicant within twenty-one (21) working days of finalizing the application scrutiny process via all communication avenues (via post, email and telephonically), provided Ugu has said contact information on the system

10. DURATION OF THE INDIGENT SUPPORT BENEFIT

- 10.1 Indigent support is only provided for a period of 36 months (3 years), from date of approval, where after the applicant must re-apply on the prescribed form, confirming that their circumstances have not changed since initial application and that they still qualify for indigent support in terms of the latest criteria.
- 10.2 The Municipality will send a written notice to the approved household, at least two months prior to expiry of the approval, but the onus still rests on the owner of the property to re-apply. The written notice will be sent via post or email and short messages are also sent to the customers.

11. RESPONSIBILITY OF THE INDIGENT SUPPORT APPLICANT/ BENEFICIARY

- 11.1 Should, at the most, twenty-one (21) working days lapse without receiving any feedback regarding the application, the applicant should enquire as to the status of the application with the Municipality through the Account Call Centre on 08000 92837, or any Enquires office.
- 11.2 The onus is on the beneficiary to inform the Municipality of any change in his/her status or personal household circumstances that might affect their Indigent status.
- 11.3 A household member must immediately request de-registration if their circumstances have changed to the extent that the household no longer meets the requirements set out in this Policy. Failure to disclose will result in such a person being immediately liable to repay to the Municipality all the debt accumulated from such date of change in indigent status, and immediately removed from the indigent register of the Municipality. Such debt will be recovered in terms of the applicable Credit Control and Debt Collection policy.
- 11.4 A household member must apply for Indigent Support when the main account holder is deceased. A certified copy of the death certificate as well a certified copy of the identity document of the deceased person must be attached to the application to avoid removal from the Indigent Support.
- 11.5 The person applying after the death of the account holder should also attach a certified copy of the Letter of Executorship or certified copy of the Will for (urban) Permit to Occupy from the Traditional leader or letter from the Ward Councillor (rural) stating that the new applicant will be the recipient of said property together with all other relevant documents as per Annexure "A" or "B" attached.



Indigent Support Policy

12. WITHDRAWAL OF INDIGENT SUPPORT BY THE MUNICIPALITY

- 12.1 The Indigent support shall be withdrawn by the Municipality in the event of the beneficiary misusing the system or providing incorrect information.
- 12.2 In this regard the Municipality shall recover from the recipient the amount of relief furnished by debiting the beneficiary's account.
- 12.3 The Municipality shall apply its credit control policy in accordance with the Credit Control and Debt Collection policy.
- 12.4 The Municipality shall institute a criminal charge of fraud against the beneficiary and may not again be considered for indigency relief for a period extending for two years beyond the financial year in which the misconduct is detected.
- 12.5 The Indigent support will cease, and the consumer will be removed from receiving free basic services should re-application not be received by the Municipality.

13. EXTENUATING CIRCUMSTANCES

- 13.1 In the event of death of one of the members of the household, and where the flow of water has been limited, full flow will be reinstated from the day of death to the day of the funeral after which the flow shall be limited again.
- 13.2 In the event of a household member suffers from a sickness requiring excessive usage of water and is under a home-based care programme, such a household will be eligible to apply for additional allocation of water, approval of which is subject to the Municipality's conditions.

14. WHAT DOES THE INDIGENT SUPPORT BENEFIT COVER?

On approval of the application the Municipality shall provide the following

- 14.1 Basic Municipal Services which include:
 - a) Access to a minimum safe water supply i.e. 6kl of water free of charge on a monthly basis or as determined by Council
 - b) A 100 % rebate of the water basic charge
 - c) A 100 % rebate on all sanitation charges
 - d) A credit equivalent to the outstanding balance on the dwelling at the date of approval.

15. USAGE IN EXCESS OF THE BASIC SERVICE LEVELS

- 15.1 All services used in excess of the basic municipal services level shall be levied at the current scale of tariff and payable on the due date.



Indigent Support Policy

- 15.2 If the excess account is not paid for as and when due, the services shall be restricted to the basic level and the normal Credit Control and Debt Collection policy shall be implemented.

16. MISCELLANEOUS

Should any circumstances not covered by this policy regarding the administration of the Indigent Support policy arise, and is urgent, it shall be referred to the Chief Financial Officer.

17. COMMUNICATION

From time to time the Municipality will endeavour to communicate its Policy adequately, so that members of the community are apprised of the existence of such a policy or any amendments that may have been done by Council.

- 17.1 Structures and or platforms that shall be used to communicate the benefits of the policy shall include:

- a) The Ward Committees
- b) The Ward Councillors
- c) Community meetings
- d) Budget and IDP road shows
- e) Special events
- f) Local media
- g) Traditional Leaders

- 17.2 Any communication issued by the Municipality must be coordinated by the Communications Unit or the Accounting Officer or his delegated authority.

18. MONITORING AND EVALUATION

- 18.1 Reporting on Indigent Support shall be done quarterly by means of supplying status of consumers and number of households receiving the support.
- 18.2 Indigent register updated on an ongoing basis.
- 18.3 This is reported in the SDBIP quarterly review.

19. PROVISION FOR DOUBTFUL DEBT FOR INDIGENT CUSTOMERS

The amount owed by Indigent Customers will be claimed against the provision of Free Basic Services from Equitable Share upon Council resolution.

20. COMMENCEMENT OF THE POLICY

The policy shall commence upon approval by Council.



Indigent Support Policy

21. AMENDMENTS AND/OR ABOLITION

Any amendments and /or abolition will have to be approved by the Council

22. COMPLIANCE AND ENFORCEMENT

The policy will be in accordance with the Acts, guidelines and all relevant legislations

23. POLICY REVIEW

The policy will be reviewed on an annual basis

Records of Approval

Meeting	Date	Resolution
Review 2021/2022		
Policy Review Committee	20 January 2022	Recommended to MANCO
MANCO	24 January 2022	Recommended to Portfolio Committee on Finance
Portfolio Committee on Finance	03 February 2022	Recommended to EXCO
EXCO	06 March 2022	Recommended to Council
Council	26 May 2022	Approved
Review 2022/2023		
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Portfolio Committee on Finance	16 May 2023	Recommended to EXCO
EXCO	17 May 2023	Recommended to Council
Council	25 May 2023	Approved
Review 2023/2024		
Policy Review Committee	14 February 2024	Recommended to MANCO
MANCO		
Portfolio Committee on Finance		



Indigent Support Policy

EXCO		
Council		

REVIEWED
By N.Msomi at 2:01 pm, Mar 05, 2024

APPROVED
By N.Msomi at 12:37 pm, Mar 06, 2024





Ugu District Municipality

ANNEXURE A - APPLICATION FOR INDIGENT SUPPORT

SURNAME: _____ (of Applicant-where registered owner is deceased attach copy of death certificate, letter of executorships and id copy of executor)

FIRST NAMES: _____

I.D. NUMBER: _____ (Copy of identity document must be attached)

LOT NUMBER: _____ AREA: _____ STREET ADDRESS: _____
(Proof of ownership (a copy of death certificate must be provided where owner is deceased, letter of executorships and id copy of executor) must be attached)

WARD NO. _____ WARD COUNCILLOR: _____

POSTAL ADDRESS: _____

e-MAIL _____

MEMBERS OF THE HOUSEHOLD MUST BE LISTED, PLEASE USE A SEPARATE SHEET IF MEMBERS ARE MORE THAN THE SPACE PROVIDED: (copies of identity documents for all members and proof of income for members who are 18 years and older must be attached)

ID NUMBER	INITIALS AND SURNAME	Gross Monthly Income	SOURCE OF INCOME
TOTAL INCOME FOR THE HOUSEHOLD			

DETAILS OF ANY PROPERTIES, **OTHER THAN THE ONE GIVEN ABOVE**, OWNED or LEASED BY

MEMBERS OF THE HOUSEHOLD: _____

I _____ ID. NO. _____

Hereby declare that:

1. The information stated above is correct.
2. That I understand the conditions applicable to Indigent Support.
3. That I have received a copy of the Council's Indigent Support Policy.

Signature or Mark of applicant: _____ DATE: _____
(note that applicants may be prosecuted for giving false or incomplete information)

I, _____ hereby confirm that the above declaration was made and signed in my presence. **Can only be completed by a Commissioner of Oaths or the Local Municipality Ward Councillor.**

SIGNATURE and STAMP OF COMMISSIONER OF OATHS



COMPLETING INDIGENT SUPPORT APPLICATION FORM MADE EASY

1. WHO IS THE REGISTERED OWNER?

- a. The person in whose name the property is registered as per Deeds Office.

2. WHAT QUALIFIES AS PROOF OF OWNERSHIP?

- a. A certified copy of the title deed.
- b. A letter from the municipality stating that ownership vests with the said person.
- c. A letter from the bank, where title deed is held as security for a loan.
- d. In the informal settlements or Ingonyama Trust Land areas a letter from the councillor or the tribal authority stating that ownership vests with the said person.

3. WHAT IS A LOT NUMBER?

- a. In the formal settlement – the property description as per title deed
- b. In the informal settlement – not applicable

4. STREET ADDRESS

- a. In the formal settlements – the residential address other than the lot number
- b. In the informal settlements – isigodi and where applicable induna yesigodi

5. WARD NUMBER – as per municipal boundaries or voting stations

6. WARD COUNCILLOR – as per local municipality

7. POSTAL ADDRESS – where you would like to receive your post or any other information regarding your application and/or account related information

8. MEMBERS OF A HOUSEHOLD

- a. All people who regard the property as their permanent residential property including members who reside anywhere else for purposes of being near their work place or any other purposes

9. GROSS MONTHLY INCOME

- a. Total income before deductions of any kind or form per member of the household

10. SOURCE OF INCOME - HOW YOU MAKE A LIVING

- i. From employment
- ii. Self-employed i.e. in business of any kind
- iii. Grants
- iv. Investments
- v. Inheritance or trusts
- vi. Anything that gives you income

11. SUPPORTING DOCUMENTATION THAT MUST ACCOMPANY THE APPLICATION FORM

- a) Copies of identity document for **all members** of the household.
- b) Proof of ownership of property being supplied with municipal services.
- c) Copy of death certificate of property owner where applicable.
- d) Proof of income for **all members of the household 18 years or older** in the form of one of the following, a letter from employer, latest salary advice, a pension card, a stamped UIF card, current 3 months bank statement, sworn affidavit to confirm unemployment or other source of income.
- e) **COGTA CONSENT FORM IN TERMS OF SECTION 69(6)(b)**

ALL COPIES MUST BE CERTIFIED.

Certified and completed application and relevant documents can be e-mailed to indigent@ugu.gov.za





ANNEXURE B – RENEWAL APPLICATION FOR INDIGENT SUPPORT

SURNAME: _____ (of Applicant-where registered owner is deceased attach copy of death certificate, letter of executorships and id copy of executor)

FIRST NAMES: _____

I.D. NUMBER: _____ (Copy of identity document must be attached)

LOT NUMBER: _____ AREA: _____ STREET ADDRESS: _____
(Proof of ownership (a copy of death certificate must be provided where owner is deceased, letter of executorships and id copy of executor) must be attached)

WARD NO. _____ WARD COUNCILLOR: _____

POSTAL ADDRESS: _____

e-MAIL _____

MEMBERS OF THE HOUSEHOLD MUST BE LISTED, PLEASE USE A SEPARATE SHEET IF MEMBERS ARE MORE THAN THE SPACE PROVIDED: (copies of identity documents for all members and proof of income for members who are 18 years and older must be attached)

ID NUMBER	INITIALS AND SURNAME	Gross Monthly Income	SOURCE OF INCOME
TOTAL INCOME FOR THE HOUSEHOLD			

DETAILS OF ANY PROPERTIES, **OTHER THAN THE ONE GIVEN ABOVE**, OWNED or LEASED BY

MEMBERS OF THE HOUSEHOLD: _____

I _____ ID. NO. _____

Hereby declare that:

1. The information stated above is correct.
2. That I understand the conditions applicable to Indigent Support.
3. That I have received a copy of the Council's Indigent Support Policy.

Signature or Mark of applicant: _____ DATE: _____
(note that applicants may be prosecuted for giving false or incomplete information)

I, _____ hereby confirm that the above declaration was made and signed in my presence. **Can only be completed by a Commissioner of Oaths or the Local Municipality Ward Councillor.**

SIGNATURE and STAMP OF COMMISSIONER OF OATHS



COMPLETING INDIGENT SUPPORT APPLICATION FORM MADE EASY

1. WHO IS THE REGISTERED OWNER?

- a. The person in whose name the property is registered as per Deeds Office.

2. WHAT QUALIFIES AS PROOF OF OWNERSHIP?

- a. A certified copy of the title deed.
- b. A letter from the municipality stating that ownership vests with the said person.
- c. A letter from the bank, where title deed is held as security for a loan.
- d. In the informal settlements or Ingonyama Trust Land areas a letter from the councillor or the tribal authority stating that ownership vests with the said person.

3. WHAT IS A LOT NUMBER?

- a. In the formal settlement – the property description as per title deed
- b. In the informal settlement – not applicable

4. STREET ADDRESS

- a. In the formal settlements – the residential address other than the lot number
- b. In the informal settlements – isigodi and where applicable induna yesigodi

5. WARD NUMBER – as per municipal boundaries or voting stations

6. WARD COUNCILLOR – as per local municipality

7. POSTAL ADDRESS – where you would like to receive your post or any other information regarding your application and/or account related information

8. MEMBERS OF A HOUSEHOLD

- a. All people who regard the property as their permanent residential property including members who reside anywhere else for purposes of being near their work place or any other purposes

9. GROSS MONTHLY INCOME

- a. Total income before deductions of any kind or form per member of the household

10. SOURCE OF INCOME - HOW YOU MAKE A LIVING

- i. From employment
- ii. Self-employed i.e. in business of any kind
- iii. Grants
- iv. Investments
- v. Inheritance or trusts
- vi. Anything that gives you income

11. SUPPORTING DOCUMENTATION THAT MUST ACCOMPANY THE APPLICATION FORM

- a) Copies of identity document for **all members** of the household.
- b) Proof of ownership of property being supplied with municipal services.
- c) Copy of death certificate of property owner where applicable.
- d) Proof of income for **all members of the household 18 years or older** in the form of one of the following, a letter from employer, latest salary advice, a pension card, a stamped UIF card, current 3 months bank statement, sworn affidavit to confirm unemployment or other source of income.
- e) **COGTA CONSENT FORM IN TERMS OF SECTION 69(6)(b)**

ALL COPIES MUST BE CERTIFIED.

***Certified and completed application and relevant documents can be e-mailed to
indigent@ugu.gov.za***



UGU DISTRICT MUNICIPALITY



Policy Custodian	BTO
Policy Name	Insurance Policy and Procedure for the Handling of Insurance Claims
Policy Number	5/7/P
Status	Review
Date	2023/24FY
Approved by	Council
Date First Approved by Council	26 July 2017
Date Last Approved by Council	25 May 2023
Date for Next Review	2024/25 FY

RECEIVED

By N.Msomi at 8:03 am, Feb 22, 2024



Insurance Policy and Procedure for the Handling of Insurance Claims

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PREAMBLE

Whereas it is required of the accounting officer to take all reasonable steps to ensure that the Council has and implements crucial policies for effective financial and risk management.

And whereas the safeguarding of assets and the protection of Council against liabilities is very important and forms part of a proper assets management system as prescribed by Section 63 and needs annual revision in terms of Section 24(2)(c)(v) of the Municipal Finance Management Act 56 of 2003.

Now therefore the Municipal Council of UGU District Municipality adopts the following Policy for Insurance Management.

1. INTRODUCTION

- 1.1 When the Municipal Finance Management Act No 56 of 2003 (MFMA) was promulgated in 2014, municipalities have been required to align the planning, management, reporting and auditing of their finances in accordance with the strict requirements of the MFMA and related legislation.
- 1.2 In terms of section 63 (1) of the Municipal Finance Management Act, the Municipal Manager is responsible for the safeguarding of municipal assets
- 1.3 It is the responsibility of the Accounting Officer or his/her delegates to ensure that all municipal assets are safeguarded against all risks that will result in loss. The Accounting Officer has to take all reasonable steps to ensure that Ugu District Municipality has and implements budget related policies for effective financial and risk management.
- 1.4 Asset Management is one function in ensuring effective financial management. Section 63 of the Municipal Finance Management Act, Act 56 of 2003, places the responsibility of asset management on the Accounting Officer.
- 1.5 The safeguarding of assets in terms of s63(1)(a) includes ensuring that there is adequate short-term insurance cover for all movable and immovable assets

2. DEFINITIONS

- 2.1 **Assets** are resources controlled by an entity as the result of past events and from which future economic benefits or future service potential are expected to flow to the entity.
- 2.2 **Asset Manager** is any official who has been delegated responsibility and accountability for the control, usage, physical and financial management of the municipality's assets in accordance with the council's standards, policies, procedures, and guidelines
- 2.3 **Accident** is an event or occurrence which is unforeseen and unintended. Accidental is an important concept of risk for insurance. The more unlikely the accident or the occurrence, the less expensive it is to insure.
- 2.4 **Book value or carrying value** is the net worth of an asset that is recorded on the balance sheet. Book value is calculated by subtracting any accumulated depreciation from an asset's purchase price or historical cost
- 2.5 **Council** a body of people elected to manage the affairs of a city, county, or other municipal district.
- 2.6 **Councillor** a member of a council.



Insurance Policy and Procedure for the Handling of Insurance Claims

- 2.7 **Employees** a person employed by the municipality for wages or salary, especially at non-executive level.
- 2.8 **Excess** means the first amount payable in the event of each claim.
- 2.9 **Insurability** is acceptability to the company of an applicant for insurance
- 2.10 **Insurance** is a contract (policy) in which the municipality receives financial protection or reimbursement against losses from an insurance company. Risk is transferred when the risk is shared amongst different parties, so one party does not carry the full loss should an event occur. Insurance involves a transfer of risk.
- 2.11 **Insured** is A person or organization covered by an insurance policy.
- 2.12 **Insurer** is the party to the insurance contract who promises to pay losses or benefits. Also, any corporation engaged primarily in the business of furnishing insurance to the public
- 2.13 **Insurance broker** is a person or company registered as an adviser on matters of insurance and as an arranger of insurance cover with an insurer on behalf of a client
- 2.14 **Insurance committee** is a committee that comprises of various managers aimed at deliberating on all insurance related matters as well all losses suffered by the municipality with an aim of recommending recourse to be taken by the Municipal Manager.
- 2.15 **Insurance policy** a document detailing the terms and conditions of a contract of insurance.
- 2.16 **Public liability claims** mean third party claims for bodily injury and property damage arising out of the municipality's operations.

3. POLICY OBJECTIVES

- 3.1 The objectives of this policy are to:
 - 3.1.1 set out a legislative framework in order to comply with asset management requirements, especially regarding the safeguarding and risk management thereof.
 - 3.1.2 Ensuring that the general public's rights and obligations when lodging a public liability claim is spelled-out; and
 - 3.1.3 Set out the role and responsibilities of Councillors and officials regarding safeguarding of assets and insurance processes.
- 3.2 In general, the object of this policy is to ensure sound and sustainable financial management within Ugu District Municipality.

4. PRESCRIPTIVE/LEGAL FRAMEWORK

- 4.1 This policy must comply with all relevant legislative requirements including:
 - 4.1.1 The constitution of the Republic of South Africa, 1996
 - 4.1.2 Municipal Systems Act 32 of 2000
 - 4.1.3 Municipal Finance Management Act 56 of 2003
- 4.2 This policy does not overrule the requirements to comply with other policies such as:
 - 4.2.1 Supply Chain Management Policy
 - 4.2.2 Asset Disposal Policy
 - 4.2.3 Fleet Management Policy
 - 4.2.4 Security Policy



Insurance Policy and Procedure for the Handling of Insurance Claims

- 4.2.5 Facilities Management Policy
- 4.2.6 Land Policy
- 4.2.7 Human Resources Development Plan and Strategy

4.3 This policy is informed by the four Standards of Generally Recognised Accounting Practice (GRAP), the following standards are components of fixed assets i.e.

- 4.3.1 Property, Plant and Equipment, GRAP 17
- 4.3.2 Inventories, GRAP 12
- 4.3.3 Investment Property, GRAP 16 and
- 4.3.4 Impairment of Non-cash generating assets, GRAP 21

4.4 The Chief Financial Officer will provide guidance or adjust this policy where an apparent conflict exists between this policy and other policies, legislation, or regulations

5. POLICY APPLICATION

5.1 This policy applies to all Ugu District Municipality's permanent and temporary employees: internal or external contractors (hereafter referred to as "Users" and "Third Parties") who utilise the Municipality's assets

6. POLICY PRINCIPLES

6.1 RISK MANAGEMENT

- 6.1.1 The Municipal Manager must ensure that an evaluation of all potential events that might adversely affect the finances of a municipality is performed. The potential loss of income and extra expenses that a municipality might incur must be the consideration factor when the risk identification exercise is performed.
- 6.1.2 Even though risk is managed, and preventative measures taken to minimise risk, it is acknowledged that not all risks can be eliminated and therefore Council accepts the fact that insurance remains the ultimate solution to risk management. It must however be viewed as the last resort.
- 6.1.3 Loss control is the practical application of Risk Management, and its principal objectives are:
 - 6.1.3.1 to give effect to the day-to-day application of Risk Management theory throughout your organisation as an integral part of management practice.
 - 6.1.3.2 to create and develop risk awareness among staff at all levels.
 - 6.1.3.3 to educate all in the knowledge and practice of identifying and controlling risks on a continuing basis.
 - 6.1.3.4 to achieve and maintain a high standard throughout of safety, security, and good housekeeping to:
 - 6.1.3.5 minimise the incidence and impact of all losses (insured and self-insured).
 - 6.1.3.6 control your insurance costs.
 - 6.1.3.7 generate increased efficiency, productivity, and profitability.
 - 6.1.3.8 promote a sense of pride and achievement in your operational standards.

6.2 INSURANCE KEY MANAGEMENT PRINCIPLES

6.2.1 MUNICIPAL ASSETS



Insurance Policy and Procedure for the Handling of Insurance Claims

- 6.2.1.1 When considering the insurance of assets all movable and immovable assets should be considered. All assets to be insured should be comprehensively insured against perils such as theft, malicious damage, fire, storm, water damage etc. as well as community action, riots, and public disorder.
- 6.2.1.2 It is the responsibility of the Assets Management Unit to ensure that all assets are disclosed at correct "book value" at reporting periods.
- 6.2.1.3 Assets are to be insured at replacement value. Should it be considered necessary, a valuer should be used to arrive at a replacement value for each asset.
- 6.2.1.4 The following assets and risks should, after consideration of risk, be insured: -
- 6.2.1.5 Movable Assets such as Vehicles, plant and equipment, computer equipment, office equipment, cash in transit,
- 6.2.1.6 Immovable assets such as Buildings (as well as contents)
- 6.2.1.7 Infrastructure assets such as pump stations, treatment works, reservoirs etc
- 6.2.1.8 Liability: Public, Employer and Employees
- 6.2.1.9 The decision whether to insure an asset or not should be at the discretion of the Municipal Manager in consultation with the Chief Financial Officer.

6.2.2 ADDITIONS DURING THE YEAR

- 6.2.2.1 When new vehicles are purchased, buildings or structures erected or expanded which has an influence on the Finance portfolio of Council; each Department involved should send to the Asset Management Unit the information of new assets to be insured within 48 hours after the Property Plant and Equipment is recognised as an asset of the municipality.
- 6.2.2.2 New vehicles cannot be utilized during the period when the asset is acquired, and an insurance confirmation is pending.

6.2.3 POLICY ON PERSONAL EFFECTS

- 6.2.3.1 It is expected that employees, in their own interests, will ensure that any valuable items of jewellery (including wrist watches) worn on duty, and/or personal equipment are adequately insured against loss or theft on their personal policies.
- 6.2.3.2 The carrying of unreasonably large amounts of cash, credit cards or other easily stolen and rapidly convertible items should be avoided during working hours as far as is practicable.
- 6.2.3.3 No compensation will be paid for loss or damage to the following items:
- 6.2.3.4 Private cellular phone
- 6.2.3.5 Private Vehicle
- 6.2.3.6 Private Laptop
- 6.2.3.7 Handbags
- 6.2.3.8 Cash etc.

6.2.4 PUBLIC LIABILITY

- 6.2.4.1 Third parties are to be covered for death, bodily injury, or illness and/or loss of or damage to property up to a maximum limit to be determined by the CFO in consultation with the Municipal Manager.
- 6.2.4.2 All public liability claims under the excess amount shall be considered by Management and a recommendation made to the Municipal Manager on whether payment should be made or not. Only the Municipal Manager may approve payments in this regard.



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- 6.2.4.3 Public Liability claims under the excess amount should only be settled when the municipality could reasonably be seen to have acted negligently which resulted in the loss to the third party and when there is reasonable prospect of the municipality being found legally responsible for third party property damage or bodily injury. Settling claims where this is not the case would set bad legal precedence which the municipality would not be able to sustain financially into the future.

6.2.5 LIMITS

- 6.2.5.1 On an annual basis the excess limits shall be assessed as part of the adjudication of the insurance quotations received from the Insurance Companies/Insurance Brokers.

6.2.6 INSURANCE CLAIM PROCEDURES

- 6.2.6.1 The Municipal Manager or his /her delegate shall develop such processes to ensure that insurance claims are submitted timeously to the insurance section/unit, and in a format required by the Insurance Company/ Insurance Broker.
- 6.2.6.2 Head of departments must ensure that these processes are implemented. Failure to follow the processes shall be dealt with in terms of clause 7.2.8 of this policy.

6.2.7 PAYMENTS BY EMPLOYEES

- 6.2.7.1 Payment of excesses (or losses below excess payable) by employees
- 6.2.7.2 Where in the opinion of the relevant departmental General Manager and the Municipal Manager an employee's negligence led to the damage to and/ or loss of an asset the excess and the value of the said property payable may be claimed from the employee concerned.
- 6.2.7.3 Excess will be regarded as a loss and shall be subject to disciplinary proceedings as per clause 6.2.9 below and as per the SALGA Disciplinary Procedure Collective Agreement.
- 6.2.7.4 Insurance claims rejected by the Insurer (above excess)
- 6.2.7.5 Where in the opinion of the relevant departmental General Manager and the Municipal Manager an employee's negligence led to the damage to, or loss of, an asset, the total loss to the municipality may be claimed from the employee concerned in terms of the outcome of the Disciplinary Procedures.

6.2.8 FAILURE TO REPORT AN INCIDENT

- 6.2.8.1 Failure to report an incident to the insurance section within the timeframes indicated on the insurance handling procedure, may result in disciplinary action taken against the employee responsible for the asset.
- 6.2.8.2 The outcome of the disciplinary process will determine whether the employee will be personally held liable for the losses incurred.

6.2.9 RECOVERY OF LOSS

- 6.2.9.1 Insurance Committee should be established in terms of section 63(2)(c) and 96(2)(b) read with section 171 of the Municipal Finance Management Act, No. 56 of 2003 as amended, to investigate losses. The Insurance Committee shall not institute or carryout duties of a disciplinary committee but should only advise on the outcomes of its investigations.
- 6.2.9.2 The decision of the committee should be escalated to Human Resources section for disciplinary action and recovery of the loss where applicable.



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- 6.2.9.3 The decision of the insurance committee shall determine the party liable for the payment of excess:
- 6.2.9.4 If an employee has been found to be liable for the loss/damage, the excess and value of the property loss/damage shall be recovered from the said employee
- 6.2.9.5 If the third party is liable for the loss/damage, the excess and value of the property loss/damage shall be payable by the third party
- 6.2.9.6 In any other circumstances, the Municipality shall be liable to pay the excess to ensure that the insurance broker settles the value of the property loss/damage

6.3 APPOINTMENT OF INSURANCE BROKERS

- 6.3.1 The appointment of an insurance broker must be performed in terms of the municipality's Supply Chain Management Policy.
- 6.3.2 Invitations for bids to appoint an insurance broker will be done every three years.
- 6.3.3 Section 33 of the MFMA will be applicable if the duration exceeds 3 years.

7. ROLES AND RESPONSIBILITIES

7.1 THE CFO OR HIS/HER DELEGATED OFFICIAL (MANAGER: ASSETS):

- 7.1.1 The Chief Financial Officer delegates this authority to the Manager Assets, who will be responsible to implementing this policy in line with the standard operating procedures.
- 7.1.2 The Manager-Assets:
 - 7.1.2.1 shall (at least every three years, before the lapsing of the tender that was previously awarded) call for tenders for the insurance of municipal assets, Councillors, employees and third parties.
 - 7.1.2.2 shall, in accordance with such schedules and subject to this policy, effect such insurance through the service of an Insurance Company/Insurance Broker appointed by the municipality through the competitive prescribed SCM process.
 - 7.1.2.3 shall ensure that the insurance period will be from 1 July to 30 June of the following year and shall be renewable, dependent on previous performance (and in line with the tender processes followed).
 - 7.1.2.4 shall pay the monthly/annual premiums in advance.
 - 7.1.2.5 shall pay premiums over to the Insurers during the year, additions or deletions are made to the insurance portfolio.
 - 7.1.2.6 shall immediately notify the Council's insurer of any claim by or against the Council or against its insurers.
 - 7.1.2.7 shall assess all public liability claims under the excess amount as indicated in the Insurer's schedules. Public Liability claims should only be settled when the municipality could reasonably be seen to have acted negligently which resulted in the loss to the third party and when there is reasonable prospect of the municipality being found legally responsible for third party damages.
 - 7.1.2.8 shall ensure that sufficient funding is available to cover insurance related expenditures.
 - 7.1.2.9 shall report to Council of the status of existing claims against the municipality and its Insurers.
 - 7.1.2.10 shall ensure that all claims and applications are dealt with diligently within a reasonable time.
 - 7.1.2.11 shall finalise all claims and applications submitted to the Section and ensuring that all the required technical, financial and legal aspects to each claim and application are dealt with when these are being finalised; and
 - 7.1.2.12 Shall update the Asset Register in accordance with the outcome of each insurance claim.



Insurance Policy and Procedure for the Handling of Insurance Claims

7.1.2.13 Shall recommend the payment of excess amounts, the settlement of claims below excess, settlement of claims not covered by the Insurers, and all other insurance related expenditure.

7.2 THE GENERAL MANAGERS AND MANAGERS OF DEPARTMENTS:

- 7.2.1 shall before 31 May of each year verify or update the schedule of insurable risks and insurable assets under their control (and any other information deemed necessary)
- 7.2.2 shall notify the CFO (or delegated official) without delay of any new insurable risk or of any alteration in an existing insurable risk which has arisen in connection with his/her department.
- 7.2.3 shall ensure that the CFO (or delegated official) is notified of any occurrence or event giving rise or likely to give rise to a claim by or against the Council or against its Insurers. Failure to report incidences of loss might lead to the affected employee being held liable for the losses to Council.
- 7.2.4 shall ensure that all documents / information (for example any required forms, reports, quotations, photos) for the completion of the claim is forwarded to the CFO (or delegated official) for submission to Council's insurance brokers.
- 7.2.5 shall within 2 weeks (10 working days) of submitting a claim to the CFO (or delegated official), submit a departmental report to the CFO (or delegated official) in order to finalise the claim.
- 7.2.6 shall report each claim against Council for investigation and the outcome reported to the CFO (or delegated official) and where necessary disciplinary steps and/or recovery be perused against any employee who is found, in terms of the investigation, to have acted negligently; and
- 7.2.7 should advise all staff of their obligations to ensure the security of private property brought to the workplace to minimise the risk of loss and inconvenience to staff.

7.3 ALL MUNICIPAL PERSONNEL:

- 7.3.1 should avoid storing private property at the workplace for extended periods of time, especially over weekends and during vacation periods.
- 7.3.2 should insure personal property against loss or damage, particularly if it is of significant value in their personal capacity.
- 7.3.3 shall report all losses, damages to or any potential claims to the Insurance Section, their Departmental Manager, and the Health & Safety Practitioner.
- 7.3.4 shall take all reasonable steps to ensure that municipal assets are kept safe and assist the Municipal Manager to implement processes to safeguard assets and prevent losses to Council of all assets under their control.

8. MONITORING AND EVALUATION

- 8.1 The insurance clerk shall submit claims register on a monthly basis to the Manager: Assets
- 8.2 The Manager Assets shall submit claims register to MANCO and Portfolio Committee on Finance on monthly basis.

9. COMMENCEMENT OF THE POLICY

- 9.1 This Policy shall come into effect on the date of the adoption by the Ugu District Municipality Council.



Insurance Policy and Procedure for the Handling of Insurance Claims

10. AMENDMENT AND/OR ABOLITION

10.1 This policy may be amended or repealed by the Municipality through a Council Resolution.

11. COMPLIANCE AND ENFORCEMENT

11.1 Violation or non-compliance with this policy will give a just cause for disciplinary steps to be taken.

12. POLICY REVIEW

12.1 This Policy will be reviewed annually to ensure applicability and relevance.

13. APPEAL PROCESS/ GRIEVANCE PROCEDURE

13.1 All appeals or grievances should be addressed to the Manager: Assets for them to be addressed swiftly. Should the matter require the application of consequence management the Manager: Assets will then escalate the matter to Human Resource Section.

Records of Approval

Meeting	Date	Resolution
Review 2021/2022		
Policy Review Committee	20 January 2022	Recommended to MANCO
MANCO	24 January 2022	Recommended to Portfolio Committee on Finance
Portfolio Committee on Finance	03 February 2022	Recommended to EXCO
EXCO	06 March 2022	Recommended to Council
Council	26 May 2022	Approved
Review 2022/2023		
Policy Review Committee	10 February 2023	Recommended to MANCO
MANCO	24 April 2023	Recommended to Portfolio Committee on Finance



Insurance Policy and Procedure for the Handling of Insurance Claims

Portfolio Committee on Finance	16 May 2023	Recommended to EXCO
EXCO	17 May 2023	Recommended to Council
Council	25 May 2023	Approved
Review 2023/2024		
Policy Review Committee	14 February 2024	Recommended to MANCO
MANCO		
Portfolio Committee on Finance		
EXCO		
Council		

REVIEWED

By N.Msomi at 9:37 am, Feb 28, 2024

APPROVED

By N.Msomi at 12:58 pm, Mar 04, 2024



ANNEXURE A: INSURANCE HANDLING PROCEDURE MANUAL

1. PROCEDURE FOR THE HANDLING OF INSURANCE CLAIMS

1.1. Incident reporting

- 1.1.1. The incident shall be reported by parties involved to the Insurance Clerk within 24 hours of the incident. Please refer to the Annexure B – UGU Incident Report Form
- 1.1.2. The incident report along with the Insurance claim forms shall be completed by a municipal employee concerned giving details of how the incident took place. The insurance clerk shall then issue all parties concerned with a unique UGU incident tracking number.
- 1.1.3. In case of a motor vehicle accident whether a third party was involved, it must also be reported to the SAPS within 48 hours in order to provide an Accident Report (AR) number when lodging an insurance claim

1.2. Lodging of a claim with the insurance broker

- 1.2.1. The Insurance clerk upon receiving incident report shall lodge the claim with the insurance broker within 10 working days of receipt of Incident.
- 1.2.2. The Insurance clerk shall maintain claim register which should be updated as soon as the claim is received up to the settlement.
- 1.2.3. The Insurance clerk shall weekly follow-up with the insurance brokers to establish progress; as well as obtain insurance claim number as an indication that the claim has been lodged successfully and update claims register.
- 1.2.4. Failure for the insurance clerk to lodge the claim with the insurance broker within 10 working days of receipt of Incident Report shall constitute grounds for disciplinary action.
- 1.2.5. Upon authorisation of the claim by the insurance broker and receipt of the instruction to pay the excess amount, the insurance clerk shall process the excess documents for payment.

1.3. Monitoring and oversight

- 1.3.1. The insurance clerk shall submit a claim register to the user departments on a monthly basis.
- 1.3.2. The Manager responsible for short term insurance portfolio shall submit the claims register to all General Managers and Manager: Legal Services monthly.



Insurance Policy and Procedure for the Handling of Insurance Claims

2. MANAGEMENT OF SHORT-TERM INSURANCE PORTFOLIO

- 2.1. The short-term insurance policy shall be reviewed before the beginning of every financial year, and necessary amendment to sums insured be affected.
- 2.2. Insurance brokers shall be advised of any additions and or subtractions of assets that might affect the cover including the results of revaluation of assets.
- 2.3. Clear timeframes shall be agreed to with the Insurance Brokers on turn-around time regarding claims
- 2.4. A progress report from the Insurance Brokers shall be obtained monthly to reconcile with claims register
- 2.5. The determination of councillor allowances and benefits of office bearers shall be scrutinized to ascertain any insurance implications to the municipality, with reference to South African Special Risk Insurance Association cover etc.



ANNEXURE B – UGU INCIDENT REPORT FORM



INSURANCE INCIDENT REPORT

INCIDENT NUMBER		INSURANCE CLAIM NUMBER	

1. DETAILS OF THE MUNICIPAL EMPLOYEE	
1.1. NAME	
1.2. EMPLOYEE NUMBER	
1.3. DESIGNATION	
1.4. CONTACT DETAILS:	
1.4.1. TELEPHONE	
1.4.2. EMAIL	
1.4.3. OFFICE LOCATION	
1.5. DEPARTMENT	
1.6. SUPERVISOR (NAME AND SURNAME)	

2. DETAILS OF THE INCIDENT	
2.1. DATE OF THE INCIDENT	
2.2. TIME OF THE INCIDENT	
2.3. DETAILS OF THE INCIDENT (HOW THE INCIDENT OCCURRED)	
2.4. DETAILS OF LOSS INCURRED	
2.5. PLACE (STREET ADDRESS OR EXACT LOCATION)	
2.6. TYPE OF INCIDENT (MVA; PL;PD)	
2.6.1. FOR MVA:	
2.6.1.1. SAPS CAS NUMBER:	



Insurance Policy and Procedure for the Handling of Insurance Claims

2.6.1.2. ACCIDENT REPORT NUMBER (IF IT IS MVA):	
2.6.1.3. VEHICLE REGISTRATION NUMBER:	
2.6.1.4. VIN NUMBER:	
2.6.1.5. VEHICLE MODEL:	
2.6.2. PUBLIC LIABILITY:	
2.6.2.1. PROPERTY DETAILS	
2.6.2.2. PROPERTY ADDRESS -LOT NUMBER	
2.6.2.3. OWNER NAME)	
2.6.2.4. OWNER	
2.6.3. PROPERTY DAMAGE:	
2.6.3.1. ASSET DETAILS	
2.6.3.2. ASSET NUMBER	
2.6.3.3. SERIAL NUMBER	
2.6.3.4. PURCHASE DETAILS	
2.7. WAS THERE ANY 3 RD PARTIES INVOLVED (YES/NO)	
2.8. DETAILS OF THE 3 RD PARTY:	
2.8.3. NAME	
2.8.4. ADDRESS	
2.8.5. CONTACT DETAILS	

3. SKETCH OF THE ACCIDENT

ATTACH COPY OF ACCIDENT REPORT AS WAS REPORTED AT THE SOUTH AFRICAN POLICE SERVICES WITH THE SKETCH

4. DETAILS OF SUPERVISOR ACKNOWLEDGING RECEIPT OF THE INCIDENT REPORT

4.1. NAME	
4.2. DESIGNATION	
4.3. SIGNATURE	



Insurance Policy and Procedure for the Handling of Insurance Claims

5. FOR OFFICE USE:	
5.1. PROCESSED BY	
5.2. DATE	
5.3. TIME	
5.4. DATE SENT TO INSURANCE BROKER	
5.5. SIGNATURE	





UGU DISTRICT MUNICIPALITY

Policy Custodian	BUDGET AND TREASURY OFFICE
Policy Name	Petty Cash Policy
Policy Number	5/29/P
Status	Review
Date	2023/2024 FY
Approved by	Council
Date First Approved	23 June 2022
Date Last Approved	25 May 2023
Date for Next Review	2024/2025FY

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PREAMBLE

Section 65 of the Municipal Management Finance Act, Act 56 of 2003, the Accounting Officer of the Municipality is responsible for the management of Expenditure of the Municipality in an effective and controlled manner. Therefore, the Municipality adopts the following Petty Cash Policy.

1. INTRODUCTION

In terms of the Municipality's Supply chain Management Policy, emergency expenditure or purchases from 0- R2000 (Vat inclusive) can be procured using petty cash.

2. DEFINITIONS

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

"Accounting Officer" means the Municipal Manager of Ugu District Municipality.

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

"Accounting Principles" mean stipulated guidelines to be followed.

"Cash" means money, such as bank notes and coin, or cash equivalents.

"Chief Financial Officer" means a person employed by the Municipality in terms of section 57 of the Systems Act as the Chief Financial Officer of the Municipality, and includes any person to whom the Chief Financial Officer has delegated or sub-delegated a power, function or duty in accordance with the system of delegation developed by the Accounting Officer in terms of section 79 of the Municipal Finance Management Act and section 59 of the Systems Act;

"Constitution of the Republic of South Africa, Act No. 108 of 1996" means the Supreme Law of the Republic of South Africa.

"Cash Management" means efficient and effective management of funds.



“Petty Cash” means a relatively small amount of cash kept at hand for making immediate payments for miscellaneous small expenses.

‘Petty Cash Float’ means the total sum of Petty Cash which has been granted to a Petty Cash official

“Petty Cash Official” means an employee made responsible for the day to day operating of Petty Cash float

“Reconciliation” means a process of comparing information, relating to cash spent compared with the relevant documentation and receipts.

3. OBJECTIVE OF THE POLICY

The purpose and objective of this policy is

- To ensure the cost effective and efficient use of petty cash funds.
- Maintaining the required levels of control.
- To provide a source of funds for low value risk and infrequent purchases.

4. PRESCRIPTIVE/LEGAL FRAMEWORK

Ugu District Municipality’s Cash Management Policy has been developed in line with:

- The Municipal Finance Management Act, Act 56 of 2003
- Section 15 of the Municipal Supply Chain Regulations
- Ugu District Municipality Supply Chain Management Policy
- Constitution of the Republic of South Africa, Act No. 108 of 1996
- Municipal Systems Act No. 32 of 2000
- Ugu District Municipality Expenditure Policy



5. POLICY APPLICATION

The policy applies to Ugu District Municipality officials and office bearers (both future and present), that may be affected by use of Petty cash.

6. POLICY PRINCIPLES

6.1 Safeguarding of Petty Cash

- 6.1.1 The Municipal petty cash fund must be safeguarded in a lockable cash box, which should be locked, not only after hours, but also during normal business hours in a fire- and thief resistant safe.
- 6.1.2 There must be a designated official (Accountant) from the Expenditure section that will fulfil the function Petty Cash Control.
- 6.1.3 Petty cash/ Petty Cash float may also be held at other offices by Petty Cash officials under the supervision of a manager. Requests for petty cash will be approved by the section Manager and Manager Cash Management and may not exceed the stipulated thresholds.

6.2 Limitation on the use of Petty Cash funds

- 6.2.1 The maximum amount allocated to the Petty Cash Official's box will not exceed R 650
- 6.2.2 An individual claim may not exceed R2000, with a limit of R8000 per department in a space of a month, effected through the financial system.
- 6.2.3 Loans or advances to employees for personal use from Petty Cash funds are forbidden.

7. ROLES AND RESPONSIBILITIES

The Petty Cash official/(s) is responsible for the safekeeping of the keys of the cashbox, namely: Accountant- Expenditure and Accountant- Income, with Manager: Cash Management in possession of a spare key for the safe only.

7.1 Control and Verification of proper receipt for Petty Cash reimbursement

- 7.1.1 An original receipt, signed by the requestor to be reimbursed and by the relevant section Manager must support the Petty Cash voucher.
- 7.1.2 Receipts must set forth the complete description of the purchase. If not identified on the receipt or cash register slip, the purchase must be itemised on the separate document, signed by the salesperson and attached to the receipt.
- 7.1.3 When a vendor's printed invoice is used as a receipt, the invoice must clearly indicate that it has been paid, containing the vendor's name and signed by the salesperson.
- 7.1.4 Receipt that bears evidence of alteration cannot be accepted or processed.



7.2 Petty Cash documentation control

- 7.2.1 All documentation i.e., Petty Cash voucher and receipts, which are applicable for the period between replenishments, must be kept in the lockable cash box which will always be kept in a locked, fire- and thief resistant safe.

7.3 Shortages / Losses

- 7.3.1 The Petty Cash official will be held accountable for losses and shortages unless:
- 7.3.1.1 Prescribed procedures were followed.
 - 7.3.1.2 Petty Cash was properly secured.
 - 7.3.1.3 There is physical evidence of breaking-in and no act or omission, on the part of the Petty Cash official, contributed to loss.
 - 7.3.1.4 Failure to adhere to the above after investigation will lead to the Petty Cash official having to reimburse the losses and shortages.

8. Monitoring and Evaluation

8.1 Petty Cash/Cash Float Reconciliation

- 8.1.1 A request for replenishment must be supported by a reconciliation sheet compiled by the Petty Cash official.
- 8.1.2 The above-mentioned sheet must be signed by the Petty Cash official, which is Accountant Expenditure and (or) Cashier supervisor, where applicable and reviewed by Manager and (or) Accountant Income in the case of cashiers.
- 8.1.3 Such reconciliation must be done at least once a month.
- 8.1.4 A year-end reconciliation and replenishment must be done, at 30 June.

8.2 Transferral of function by Petty Cash Official

- 8.2.1 The Petty Cash official must perform reconciliation and a summary report compiled, before possession of Petty Cash, can be handed over.
- 8.2.2 The summary report must be signed by both the Petty Cash official and the recipient, in order to verify that the amount in cash, correspond with the balance on the summary report.
- 8.2.3 When the Petty Cash is returned to the Petty Cash official, the same processes must be taken.
- 8.2.4 In cases where the Petty Cash official is on leave for more than 5 (five) business days, the responsibility of safeguarding, as well as procedures set out by this policy, may be transferred to the next level official appointed by the respective Manager, Manager Expenditure.



9. COMMENCEMENT OF THE POLICY

9.1 This Policy shall come into effect on the date of the adoption by the Ugu District Municipality Council.

10. AMENDMENT AND/OR ABOLITION

10.1 This policy may be amended or repealed by the Municipality through a Council Resolution.

11. COMPLIANCE AND ENFORCEMENT

11.1 Violation or non-compliance with this policy will give a just cause for disciplinary steps to be taken.

12. POLICY REVIEW

12.1 This Policy will be reviewed annually to ensure applicability and relevance.



Records of Approval

Meeting	Date	Resolution
Review 2021/2022		
Policy Review Committee	20 January 2022	Recommended to MANCO
MANCO	24 January 2022	Recommended to Portfolio Committee on Finance
Portfolio Committee on Finance	03 February 2022	Recommended to EXCO
EXCO	06 March 2022	Recommended to Council
Council	26 May 2022	Approved
Review 2022/2023		
Policy Review Committee	10 February 2023	Recommended to MANCO
MANCO	24 April 2023	Recommended to Portfolio Committee on Finance
Portfolio Committee on Finance	16 May 2023	Recommended to EXCO
EXCO	17 May 2023	Recommended to Council
Council	25 May 2023	Approved
Review 2023/2024		
Policy Review Committee	14 February 2024	Recommended to MANCO
MANCO		
Portfolio Committee on Finance		
EXCO		
Council		

REVIEWED

By N.Msomi at 3:24 pm, Mar 04, 2024

APPROVED

By N.Msomi at 3:24 pm, Mar 04, 2024





UGU DISTRICT MUNICIPALITY

Policy Custodian	BTO
Policy Name	Supply Chain Management Policy
Policy Number	5/21/P
Status	Review
Date	2023/24FY
Approved by	Council
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Date Last Approved by Council	25 May 2023
Date for Next Review	2024/25 FY

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PREAMBLE

In terms of section 111 of the Municipal Finance Management Act, each Municipality, Municipal entity and Organ of State is obliged to adopt and implement a supply chain management policy in accordance with the requirements of these Acts. This Supply Chain Management Policy implements the supply chain management practices as envisaged by the Acts and its Regulations. Ugu District Municipality is committed to combating fraud, corruption, favouritism and irregular practices in Supply Chain Management.

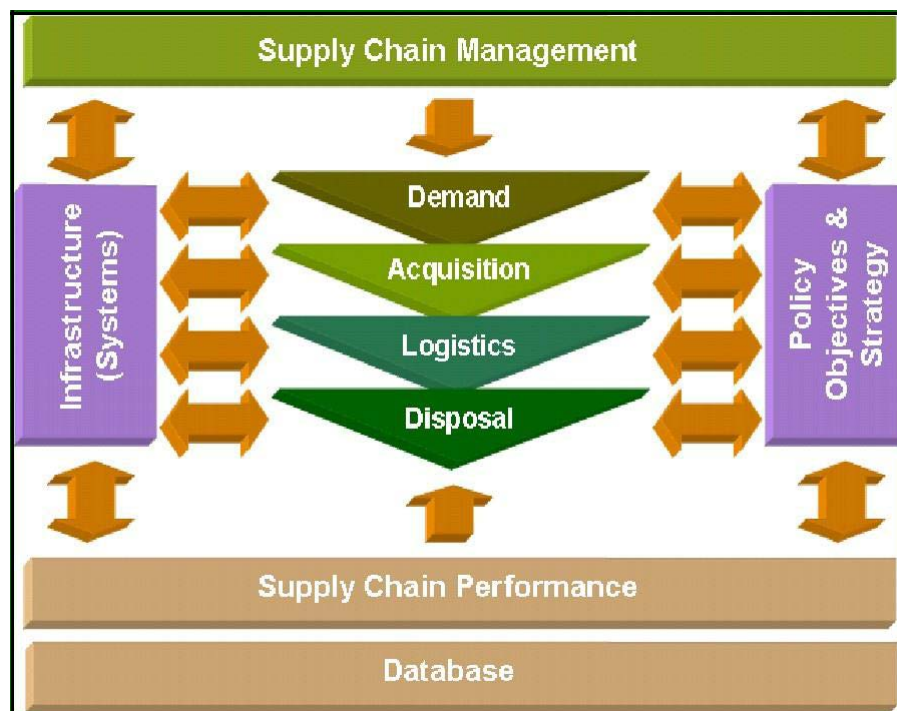


1. INTRODUCTION

- i. In terms of section 217 of the Constitution of the Republic of South Africa, 1996:

*“When an organ of state in the national, provincial or local sphere of government, or any other institution identified in national legislation, contracts for goods or services, it must do so in accordance with a system which is **fair, equitable, transparent, competitive and cost-effective.**”*

Supply Chain Management is a critical support function to ensure effective and efficient service delivery to achieve the mandates and objectives of the municipality. The diagram below graphically illustrates the various elements of the supply chain management system and how they interact with the overall SCM system.



Central to the SCM system are the four elements of Demand Management, Acquisitions Management, Logistics Management (Stores) and Disposals Management. Underpinning the entire SCM system are the two pillars of Supply Chain Performance and the Supplier Database. SCM system must be supported by effective and efficient SCM systems, policies and standard operating procedures that achieve the overall SCM strategy and objectives.

ii. Demand Management

Demand Management is the first phase of Supply Chain Management. It is the action of assessing 'what' good and/or service is needed, and then 'planning considering local content and product' when and how that good and/or service will be acquired.

Demand Management starts with the assessment of, and accepts input from:

- ✓ The Integrated Development Plan.
- ✓ Service Delivery Budget Implementation Plan.
- ✓ Approved Budget; and
- ✓ Existing Contract Register.

A critical output of demand management is the generation of annual procurement plans by the end-user Departments at the beginning of the financial year that are approved by the Accounting Officer. Procurement during the year will be guided by these procurement plans, with any deviations thereto approved by the Accounting Officer. The primary intention of these procurement plans is to identify goods and services required well in advance, to identify the appropriate procurement method to be deployed and to implement the necessary procurement processes timeously to ensure compliance and that goods and services are procured on time and when needed.

iii. Acquisitions Management

The word 'acquire' means to obtain or attain something which, in the Government context, may be a good, works and/or service that is required to fulfil a need. Acquisitions Management thus refers to the management of the entire process of acquiring that good, works and/or service which satisfies the need. This process covers the acquiring of the good, works and/or service by implementing the sourcing strategy determined by Demand Management and the administration thereof.

The primary objective of Acquisitions Management is to fulfil the demand determined by the Demand Management phase of Supply Chain Management. Acquisitions Management is thus driven by the Municipality's Procurement Plan and refers to a process of establishing:

what will be acquired, when, how and from where it will be acquired, how much is required and at what price, as well as contracting with the vendor. The desired outcome is a well-managed process of acquisition that results in the satisfaction of the need that arose.

iv. Logistics Management

Logistics Management is the third element of Supply Chain Management and deals with the ordering and provisioning of goods, works and/or services within the Municipality. It is the process of determining when goods, works and/or services are procured, received, stored and distributed. Typically, this involves the processes of ordering, receiving, payment, provisioning and managing inventory.



v. Disposal Management

Disposal is the final process when the institution needs to do away with unserviceable, redundant, or obsolete movable assets done jointly by SCM& Asset Management. The Accounting Officer appoints a specific committee to deal with disposals, to make recommendations about the disposal of any inventory item. It is the responsibility of the Accounting Officer or his/ her delegate to consider the recommendation of the appointed committee.

vi. Supply Chain Management Performance

Supply chain management performance is a critical component underpinning the entire SCM system. It is twofold in that, firstly, there should be effective monitoring of the SCM system. This requires effective and efficient monitoring of the implementation of and adherence to the SCM policy and standard operating procedures, as well as rigorous and robust monitoring of vendor performance.

Secondly, it entails monthly reporting to relevant structures within the Municipality, as well as external structures, as a key component of the Supply Chain Management framework. It interacts with each of the main functional areas represented in the framework and provides an overall look at the performance of the Municipality's Supply Chain Management. The Municipal Finance Management Act, Act No. 56 of 2003, and the Supply Chain Management Regulations, Practice Notes, Instruction Notes and Circulars, specify several reporting requirements that are required by National Treasury and Provincial Treasury.

vii. Supplier Database

Underpinning the entire SCM system is the legislative requirement in terms of the SCM regulations that prescribes that the Accounting Officer shall maintain a list of accredited service providers with whom the Municipality shall procure from, and the rules and regulations governing the maintenance of the supplier database.



2. DEFINITIONS AND ABBREVIATIONS

1. Definitions

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

“Accounting Officer” mean the Ugu Municipal Manager or Acting Ugu Municipal Manager as per section 60 for the MFMA.

“Amendment” means a change made to the value of the contract beyond the contract authority and/or the duration of the contract beyond the contract authority and/or scope changes in the contract and/or contracting arrangements beyond the contracting allowances. An amendment may be a minor amendment or a major amendment.

“Major Amendment” mean an amendment to a contract which is not a minor amendment.

“Appeal Authority” mean an independent and impartial person appointed by the Accounting Officer in terms of Regulation 50 of the Local Government Municipal Supply Chain Regulations.

“municipality” means the Ugu District Municipality

“Competitive bidding process” means a competitive bidding process referred to in paragraph 12 1(d) of this Policy.

“Competitive bid” means a bid in terms of a competitive bidding process.

“days” means calendar days, including weekends and public holidays.

“award”, in relation to bids or quotations submitted for a contract, means the final decision on which bid or quote to accept.

“Formal written price quotation” means quotations referred to in paragraph 12 (1) (c) of this Policy.

“In the service of the state” means to be –

- (a) a member of –
 - (i) any municipal council.
 - (ii) any provincial legislature; or
 - (iii) the National Assembly or the National Council of Provinces.
- (b) a member of the board of directors of any municipal entity.
- (c) an official of any municipality or municipal entity.
- (d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999).
- (e) a member of the accounting authority of any national or provincial public entity; or
- (f) an employee of Parliament or a provincial legislature.



“Long term contract” means a contract with a duration period exceeding one year.

“List of accredited prospective providers” means the list of accredited prospective providers which the municipality must keep in terms of paragraph 14 of this policy.

“Other applicable legislation” means any other legislation applicable to municipal supply chain management, including –

- (a) the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000).
- (b) the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003); and
- (c) the Construction Industry Development Board Act, 2000 (Act No.38 of 2000).

“Treasury guidelines” means any guidelines on supply chain management issued by the Minister in terms of section 168 of the Act.

“The Act” means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003)

“Contingency” means an amount included in the contract authority to cover the cost of unforeseen circumstances and must be used in line with respective industry norms and standards. This percentage must be appropriately motivated and approved at contract approval stage via the Bid Specification Committee or Bid Adjudication Committee (where appropriate).

“Contract” means a legally binding agreement between the Municipality and the Contractor for the latter to provide goods, services, engineering, and construction works, or professional services in return payment by the former.

“Contract Authority” means the total contract award value as approved, or supported, by the Bid Adjudication Committee. This is inclusive of escalations and the normal contingency allowance for variations under the general conditions of contract and shall be taken from the amount approved at the Bid Specification Committee or Bid Adjudication Committee.

“Contract Manager” means the delegated official to manage and oversee a contract.

“Contract Participation Goal (CPG)” must mean the value of work to be subcontracted to enterprises or businesses factored according to their level of HDI/PPG ownership as set and approved in the bidding documents.

“Contract Period” must mean the duration of the contract as set out in the contract.

“Contractor” means any person, body, or legal entity that is under contract to the Municipality for the performance of the contract. A Tenderer whose tender has been accepted becomes a Contractor.

“Control” means the possession and exercise of legal authority and power to manage the assets, goodwill and daily operations of a business and the active and continuous exercise of



appropriate managerial authority and power in determining the policies and directing the operations of the business.

“Exempted Micro Enterprise” means a bidder with an annual total revenue of R10 million or less (in terms of the Broad-Based Black Economic Empowerment Act).

“Final award” means in relation to bids or quotations submitted for a contract, means the final decision on which bid or quote to accept.

“Manufacturer” means a firm that operates or maintains a factory or establishment that produces on its premises materials or supplies required by the Prime Contractor for the performance of the Contract.

“Military Veteran”: means any South African Citizen who-

- a) rendered military service to any military organizations, statutory and non-statutory, which were involved on sides of South Africa's Liberation war from 1960 to 1994.
- b) served in the Union Defense Force before 1960; (c) became a member of the new South African National Defense Force after 1994.

“Minor Amendment” means a change made to the value of the contract beyond the contract authority and where the change is up to 20% of the original contract authority for construction related goods, services and/or infrastructure projects. A change of only up to 15% of the original contract authority relating to goods and/or services is allowed to be considered a minor amendment.

“Non-Performance” means default on a contract in the public sector by willfully or negligently:

- a) Failing to perform at all.
- b) Failing to complete work timeously without good reason.
- c) Delivering defective performance, i.e., poor workmanship or substandard materials.
- d) Being in breach of a material term of the contract.
- e) Failing to achieve a specified contract participation goal or performance target as set out in the tender document/s, and
- f) despite being given written notice to remedy non-performance

“SMMEs” means Small, Medium and Micro Enterprises as defined in the National Small Business Act 102 of 1996.

“Variation” means a change to a provision/s in a contract, excluding the changes referred to in amendments in the definition of this policy.

Regulations” means the Local Government: Municipal Finance Management Act, 2003, Municipal Supply Chain Management Regulations published by Government Notice 868 of 2005.



“specific bid” means bid under consideration.

“end user” means the unit requiring service or goods to be procured.

“sole supplier” means the instance where there is only one supplier on the municipalities supply database for the provision of particular goods or services: and

“preferred supplier” means the status awarded to a supplier by the municipality subsequent to due procurement process, awaiting the fourteen-day appeal process and resolution of any appeals received.

Black Designated Groups Means:

- a) Unemployed not attending and not required by law to attend an educational institution and not awaiting admission to an educational institution.
- b) Black people who are youth as defined in the National Youth Commission Act of 1996.
- c) Black people who are persons with disabilities as defined in the Code of Goods Practice on employment of people with disabilities issued under the Employment Equity Act
- d) Black people living in rural areas and under-developed areas.

Black People Means: Black people is a generic term which means Africans, Coloureds and Indians–

- i. Who are citizens of the Republic of South Africa by birth or descent; or
- ii. Who became citizens of the Republic of South Africa by naturalization-
 - a. Before 27 April 1994; or
 - b. On or after 27 April 1994 and who would have been entitled to acquire citizenship by naturalization prior to that date

Infrastructure delivery – the combination of all planning, technical and administrative and managerial actions associated with the construction, supply, renovation, rehabilitation, alteration, maintenance, operation, or disposal of infrastructure.

(2) Abbreviations

AO	Accounting Officer
BAC	Bid Adjudication Committee
BBBEEA	Broad-Based Black Economic Empowerment Act
BEC	Bid Evaluation Committee
BSC	Bid Specification Committee
CFO	Chief Financial Officer
CIPC	Companies and Intellectual Property Commission
HDI	Historically Disadvantaged Individuals
KZN	KwaZulu-Natal
MBD	Municipal Bid Documents
MFMA	Municipal Finance Management Act, 2003 (Act 56 of 2003)
PPPPFA	Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000)
SCM	Supply Chain Management
SCMU	Supply Chain Management Unit



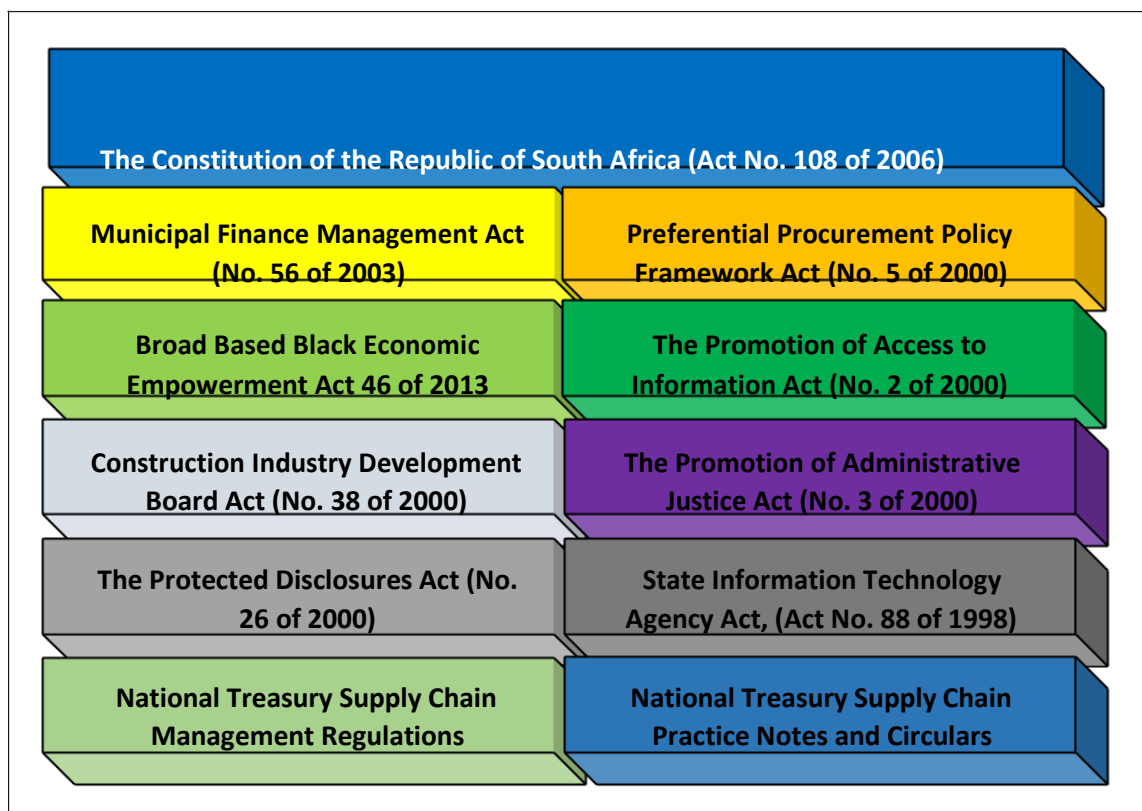
3. Policy Objectives

- (1) The goal of the SCM policy is to ensure that there are effective and efficient SCM processes and systems in place to create an enabling environment towards the Municipality's service delivery objectives, whilst ensuring compliance with SCM legislation and regulations.
- (2) The above goal shall be achieved through the following objectives:
 - ✓ SCM practice and procedures shall comply with the SCM policy at all times, unless authorized otherwise by the Accounting Officer; and
 - ✓ Appropriate and sufficient resources shall be made available to ensure compliance with the SCM policy.

4. Overview Of Key SCM Legislation

- (1) The figure below provides a simplified graphic overview of the legislative building blocks for SCM in the Ugu District Municipality.

LEGISLATIVE MANDATES



5. Prescriptive/Legal Framework

The Municipality will comply with the following legislative requirements that the SCM unit of the Municipality is bound and guided by:

(a) The Constitution of the Republic of South Africa (Act No. 108 of 2006)

Section 217(1) provides the basis for procurement and determines that

“When an organ of state in the national, provincial or local sphere of government, or any other institution identified in national legislation, contracts for goods or services, it must do so in accordance with a system which is fair, equitable, transparent, competitive and cost-effective”

Subsection 217 (2) indicates that Section 217 (1) does not prevent the organs of state or institutions referred to in that subsection from implementing a procurement policy providing for:

- ☐ Categories of preference in the allocation of contracts; and
- ☐ The protection or advancement of persons, or categories of persons, disadvantaged by unfair discrimination.

Section 217(3) of The Constitution, 1996, further confers an obligation for National Legislation to prescribe a framework providing for preferential procurement to address the social and economic imbalances of the past.

(b) Municipal Finance Management Act (No. 56 of 2003)

The Municipal Finance Management Act 56 of 2000) was promulgated to regulate financial management in the Municipal spheres of government. Considerable powers are assigned to Accounting Officers and Accounting Authorities to enable them to manage their financial affairs within the parameters outlined by the prescribed Norms and Standards.

The onus of responsibility for Supply Chain Management is placed on the Accounting Officers/Authorities.

(c) Preferential Procurement Policy Framework Act (No. 5 of 2000) and its Regulations

The Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000) (PPPFA) and its accompanying Regulations were promulgated to prescribe a framework for a preferential procurement system to give effect to section 217(3) of The Constitution. The PPPFA and its Regulations provides for the implementation of a preference point system in the allocation of contracts for categories of service providers and the promotion of goals, including socio-economic goals, to advance the interest of persons disadvantaged by unfair discrimination on the basis of race, gender or disability and implementing the programmes of the Reconstruction and Development Programme (RDP).

(d) Preferential Procurement Regulations (2022 Regulations)

The purpose then of the 2022 Regulations is to:

- comply with Section 217 of the Constitution on procurement of goods and services by organs of state.
- comply with the PPPFA of 2000.



- comply with the Constitutional Court judgement of February 2022, on the 2017 Regulation

(e) Broad Based Black Economic Empowerment Act (BBBEE) (No. 46 of 2013)

The BBBEE Act allows the Minister of Trade and Industry to issue codes of practice that could include 'qualification criteria for preferential purposes for procurement and other economic activities. Where BEE should at all times be included as a priority, at least until certain prescribed targets have been achieved, allowance should also be made for pursuing other policy priorities through PPPFA (such as job creation and SMME development).

(f) Construction Industry Development Board Act (No. 38 of 2000)

The Act is applicable to all organs of state involved in procurement relating to the construction industry. It establishes a means by which the Board can promote and implement policies, programmes, and projects aimed at procurement reform, standardization, and uniformity in procurement documentation, practices and procedures within the framework of the procurement policy of government. It establishes a national register of contractors to manage public sector procurement risk.



(g) The Promotion of Access to Information Act (No. 2 of 2000)

This Act gives effect to Section 32 of the Constitution (Access to Information) by setting out how anyone can get access to information held by the state. By so doing, it promotes transparency and prevents government from operating in secret.

(h) The Promotion of Administrative Justice Act (No. 3 of 2000)

This Act gives effect to Section 33 of the Constitution (Just Administrative Action). It ensures that decisions that affect the public are taken in a way that is procedurally fair and it gives people the right to request written reasons for decisions they disagree with. In this way, it creates greater transparency - people may be less tempted to act corruptly if they know they will have to explain themselves to the public.

(i) The Protected Disclosures Act (No. 26 of 2000)

The Act (often called the 'Whistleblowers Act') was passed to encourage employees to disclose information about unlawful and irregular behaviour in the workplace. It offers protection from victimization for 'whistleblowers', if they meet the requirements and follow the procedure set out in the Act

(j) National Treasury Supply Chain Management Regulations

The Municipality shall apply the Treasury Regulations issued in terms of the MFMA as it pertains to SCM. It serves as a formal requirement for the Municipality, to ensure the establishment and implementation of an effective and efficient Supply Chain Management Unit (SCMU).

It also stipulates the establishment of an effective and efficient SCMU within the office of the Chief Financial Officer (CFO), as an integral part of their financial systems.

A Supply Chain Management system must be utilized and provide at least for the following:

- ☐ Demand Management.
- ☐ Acquisitions Management.



- ☐ Logistics Management.
- ☐ Disposal Management.
- ☐ Risk Management; and
- ☐ Supply Chain Performance and Reporting.

(k) State Information Technology Agency Act, (Act No. 88 of 1998)

The State Information Technology Agency (SITA) Act, Act No 88 of 1998, as amended by Act 38 of 2002, requires that SITA must act as the procurement agency for the Municipality's information technology requirements.

(l) Other Legislative Requirements

In addition to the above-mentioned legislative framework the Ugu District Municipality will also comply with the provisions of the following legislation that will impact on the supply chain environment:

- ☐ The Supply Chain Management Guide for Accounting Officers.
- ☐ The Prevention and Combating of Corrupt Activities Act, Act 12 of 2004.
- ☐ The National Small Business Act, Act 102 of 1996.
- ☐ Provincial Growth and Development Strategy.
- ☐ Public Service Act, Act No 23 of 1994.
- ☐ The Competition Act, Act No 89 of 1998; and
- ☐ The King Report on Corporate Governance for South Africa.



CHAPTER 1
IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT
POLICY

6. Supply chain management policy

- (1) All officials and other role players in the supply chain management system of the municipality must implement this Policy in a way that –
 - (a) gives effect to –
 - (i) section 217 of the Constitution; and
 - (ii) Part 1 of Chapter 11 and other applicable provisions of the Act.
 - (b) is fair, equitable, transparent, competitive and cost effective.
 - (c) complies with –
 - (i) the Regulations; and
 - (ii) any minimum norms and standards that may be prescribed in terms of section 168 of the Act.
 - (d) is consistent with other applicable legislation.
 - (e) does not undermine the objective for uniformity in supply chain management systems between organs of state in all spheres; and
 - (f) is consistent with national economic policy concerning the promotion of investments and doing business with the public sector.
- (2) This Policy applies when the municipality–
 - (a) procures goods or services.
 - (b) disposes goods no longer needed.
 - (c) selects contractors to aid in the provision of municipal services otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies; or
- (3) This Policy, except were provided otherwise, does not apply in respect of the procurement of goods and services contemplated in section 110(2) of the Act, including –
 - (a) water from the Department of Water Affairs or a public entity, another municipality or a municipal entity; and
 - (b) electricity from Eskom or another public entity, another municipality or a municipal entity.



7. Delegation of supply chain management powers and duties

- (1) The council hereby delegates all powers and duties to the accounting officer which are necessary to enable the accounting officer –
 - (a) to discharge the supply chain management responsibilities conferred on accounting officers in terms of –
 - (i) Chapter 8 or 10 of the Act; and
 - (ii) this Policy.
 - (b) to maximize administrative and operational efficiency in the implementation of this Policy.
 - (c) to enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism, and unfair and irregular practices in the implementation of this Policy; and
 - (d) to comply with his or her responsibilities in terms of section 115 and other applicable provisions of the Act.
- (2) Sections 79 and 106 of the Act apply to the sub delegation of powers and duties delegated to an accounting officer in terms of subparagraph (1).
- (3) The accounting officer may not subdelegate any supply chain management powers or duties to a person who is not an official of the municipality or to a committee which is not exclusively composed of officials of the municipality.
- (4) This paragraph may not be read as permitting an official to whom the power to make final awards has been delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.



8. Sub delegations

- (1) The accounting officer may in terms of section 79 or 106 of the Act sub delegate any supply chain management powers and duties, including those delegated to the accounting officer in terms of this Policy, but any such sub-delegation must be consistent with subparagraph (2) of this paragraph and paragraph 4 of this Policy.

Table 1: Specific Procurement Delegations

No	Scope	Delegated Authority	Threshold Value	Conditions Applicable to Delegation
1.	Obtain Council Resolution for the approval of SCM Policy, SCM Delegations, Procedure Manual and Standard Operating Procedures for End Users.	AO	N/A	✓ Annual reviews of the SCM Policy, SCM Delegations, Procedure Manual and Standard Operating Procedures for End Users.
2.	Appointment of BSC, BEC and BAC members.	AO	N/A	✓ Members of the BSC, BEC and BAC must be appointed annually. ✓ At least five (5) members must be appointed to each Bid Committee. ✓ The Bid Committees must comprise suitably qualified and experienced members at least at middle management level to senior management. ✓ Members with specialist expertise may be co-opted onto these Bid Committees. ✓ No member may serve on both the BEC and the BAC.



3.	Deviations from this delegated authority. Detailed contract price adjustment. i.e. deviations and variations.	AO	Unlimited	✓ Any deviation from these delegations MUST be approved by the AO in writing. ✓ Any request for deviation MUST be accompanied by detailed motivation in terms of the legal prescripts.

Table 2: Specific Procurement Threshold Values

No	Scope	Responsible Official	Threshold Value	Conditions Applicable to Delegation
1.	Level 1: Procurement for an estimated value up to R2 000 (Including VAT) per case	Manager, subject to condition regarding Petty Cash funded purchases	R2 000	✓ PPPFA does not apply. ✓ Authority to procure by means of petty cash vests with the Accounting Officer. ✓ Re-imbursement of expenditure must be supported by actual invoice/ receipt/ cash sale slip from supplier up to R2 000. ✓ For petty cash procurement between R501 and R2 000, 1 written quotation must be obtained and awarded to the cheapest supplier. ✓ The total monetary value of petty cash purchases per month, per General Manager may not exceed R8000 annual. ✓ Suppliers not registered on the Institution's Suppliers Database may be considered. ✓ Records and appropriate documents for each purchase must be submitted to the relevant General Manager with 48 hours of purchase.



				✓ Submission of monthly Petty Cash reconciliation reports to BTO from each General Manager must contain the total number and total value of petty cash purchases for that month.
2.	Level 2 Procurement for an estimated value of more than R2 000 up to R10 000 (Including VAT) per case.	Manager	R10 000	✓ ~~Authority to procure may not be delegated to an official lower than a manager.~~ ✓ ~~At least three (3) written quotations must be obtained from suppliers registered on the Institution's Suppliers Database.~~ ✓ ~~If only one or two suppliers are available, Preapproval by CFO must be obtained prior to the purchase order. Operations to ascertain that all suppliers on the Database have been invited to quote.~~ ✓ ~~Awarded to the lowest acceptable quote.~~
3.	Level 3: Procurement for an estimated value of more than R10 000 up to R30 000 (Including VAT) per case.	General Manager	R30 000	✓ ~~Authority to procure may not be delegated to an official lower than a General Manager.~~ ✓ ~~At least three (3) written quotations must be obtained from suppliers registered on the Institution's Suppliers Database.~~ ✓ ~~Where there is less than (3) quotations the CFO must preapprove.~~ ✓ ~~Awarded to the lowest acceptable quote.~~ ✓ ~~PPPFA does not apply.~~
2.	Level 4(2): Procurement for an estimated value of more than R2001 up to R200 000 (Including VAT) per case.	General Manager	R2001 to R200 000	✓ Authority to procure from R2 001 up to R200 000 may not be delegated to an official lower than a General Manager. ✓ Procurement above R30 000 must be advertised for a period of seven (7) days on the Municipal Notice Board and Website. ✓ The successful Supplier/Service Provider is the one that scores the highest points for Price (80) and Preference Points (20) in terms of the PPPFA, if all minimum and functionality criteria have been met in terms of the approved specification ✓ PPPFA 2022 shall apply.





3.	Level 3: Procurement for an estimated value of more than R200 000 (Including VAT) per case.	AO	Above R200 000.00	The Competitive Bidding process must be used for ALL bids. ☐ Public Invitation of the Bid for 21 days, or 30 days if transaction value exceeds R10m and contracts that are above (12) twelve months. ☐ Bids must be invited publicly in at least one local newspaper. ☐ Bid Specifications must be approved by the BSC prior to advertising. All bids are evaluated by the BEC and a report is submitted to the BAC ☐ recommending the successful bidder. All bids are adjudicated by the BAC and a recommended award is submitted to the AO or his delegate for approval and award.
4.	Exceptional and Emergency Cases (in terms of section 34 of this policy)	AO	Unlimited	✓ Goods and/or services may be procured, by making use of suppliers registered on the Institution's Suppliers Database. ✓ Where only one formal written price quotation is received and accepted, and taking the circumstances into account, all reasonable steps must be taken to ensure that a fair (market related) price is obtained. ✓ The conditions contained in the General Conditions of Contract must be made applicable to the purchase. ✓ The reasons for the urgency or emergency and the losses or consequences that will follow if action was not taken must be recorded and must serve as the basis for a written motivation as to why it is impractical to invite competitive bids.



				The reasons for the urgency or emergency and the losses or consequences that will follow if action was not taken must be recorded and must serve as the basis for a written motivation as to why it is impractical to invite competitive bids. > Such written motivation must be approved by the Accounting Officer or his/her delegate. > The standard deviation form must be completed and approved by the AO or his delegate.
5.	Sole Supplier	AO	Unlimited	✓ Where a bid is invited from a sole agent or supplier, provision must be made in the bid documents for the inclusion of particulars in order to determine the reasonableness of the price(s). ✓ All sole supplier bids shall be approved in writing by the Supply Chain Manager, or the Chief Financial Officer if the transaction value exceeds R100 000. ✓ Original tax clearance certificates should be a pre-requisite for award. ✓ Sole supplier bids may be accepted; provided it complies with the specification and that the prices are proved to be and are certified as fair and reasonable. Proof of reasonableness must be determined in the following sequence: (i) Comparison with prices, after discounts, to other clients and the relative discount that the Municipality enjoys. (ii) Where this is not possible, profit before tax, based on a full statement of relevant costs. (iii) In all cases, comparison with previous bid prices where these are available. (iv) Proof of reasonableness of prices where only one bid is received, must be available for audit purposes.





6.	Variation / Orders Contingencies/ Extensions to Contracts	AO	R20 Million	✓ Contracts may be expanded or varied by not more than 20% or R20 million (including all applicable taxes) for construction related goods, works and/or services and 15% or R15 million (including all applicable taxes) for all other goods and/or services of the original value of the contract, whichever is the lower amount. ✓ All variations must be recommended by the relevant management prior to seeking the approval of the AO. ✓ Extensions to any contracts on a month-to-month basis must not exceed a period of 6 months. ✓ All variations must be reported to Council.
7.	Negotiations	AO	Unlimited	✓ The AO may delegate a Negotiating Team as in when negotiating is required. ✓ The negotiation in terms of price quotations must be conducted in a formal sitting with all nominated Suppliers/ Service Providers that have been invited for purposes of fairness and equality. ✓ The Accounting Officer may ✓ Where a bid is invited from a sole agent or supplier, negotiation may take place so as to obtain the best possible price and quality for the required goods and/or services. ✓ Any discounts received conditionally as a result of negotiations must adhere to Regulation 11 of the Preferential Procurement Regulations. ✓ Other acceptable means of negotiations with Suppliers/ Service Providers will include confirmation of specifications, deliverables, scope of work, implementation plans, project charters, catalogues, performance standards, packaging, delivery, warranties, guarantees, payment terms and milestones, penalties, responsibilities of the institution and vendor monitoring mechanisms



Sub – Delegations (2)

- (2) The power to make a final award:
- (a) above R10 million (VAT included) may not be sub delegated by the accounting officer.
 - (b) above R2 million (VAT included), but not exceeding R10 million (VAT included), may be sub delegated but only to –
 - (i) the chief financial officer.
 - (ii) a general manager; or
 - (iii) a bid adjudication committee of which the chief financial officer or a general manager is a member; or
 - (c) not exceeding R2 million (VAT included) may be sub delegated but only to:
 - (i) the chief financial officer.
 - (ii) a general manager.
 - (iii) a manager directly accountable to the chief financial officer or a general manager; or
 - (iv) a bid adjudication committee.
- (3) An official or bid adjudication committee to which the power to make final awards has been sub delegated in accordance with subparagraph (2) must within five days of the end of each month submit to the official referred to in subparagraph (4) a written report containing particulars of each final award made by such official or committee during that month, including–
- (a) the amount of the award.
 - (b) the name of the person to whom the award was made; and
 - (c) the reason why the award was made to that person.
- (4) A written report referred to in subparagraph (3) must be submitted –
- (a) to the accounting officer, in the case of an award by –
 - (i) the chief financial officer.
 - (ii) a senior manager; or
 - (iii) a bid adjudication committee of which the chief financial officer or a senior manager is a member; or
 - (b) to the chief financial officer or the senior manager responsible for the relevant bid, in the case of an award by –
 - (i) a manager referred to in subparagraph (2)(c)(iii); or
 - (ii) a bid adjudication committee of which the chief financial officer or a senior manager is not a member.

Subparagraphs (3) and (4) of this policy do not apply to procurements out of petty cash.

(5) This paragraph may not be interpreted as permitting an official to whom the power to make final awards has been sub delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 25 of this Policy.

No supply chain management decision-making powers may be delegated to an advisor or consultant.



9. Oversight role of council

- (1) The council reserves its right to maintain oversight over the implementation of this Policy.
- (2) For the purposes of such oversight the accounting officer must –
 - (i) within 30 days of the end of each financial year, submit a report on the implementation of this Policy and the supply chain management policy of any municipal entity under the sole or shared control of the municipality, to the council of the municipality: and
 - (ii) whenever there are serious and material problems in the implementation of this Policy, immediately submit a report to the council, who must then submit the report to the accounting officer of the parent municipality for submission to the council.
- (3) The accounting officer must, within 10 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the mayor.
- (4) The reports must be made public in accordance with section 21A of the Municipal Systems Act.

10. Supply chain management unit

- (1) A supply chain management unit is hereby established to implement this Policy.
- (2) The supply chain management unit operates under the direct supervision of the chief financial officer or an official to whom this duty has been delegated in terms of section 82 of the Act.

11. Training of supply chain management officials

- (1) The training of officials involved in implementing this Policy should be in accordance with any Treasury guidelines on supply chain management training.



CHAPTER 2

SUPPLY CHAIN MANAGEMENT SYSTEM

12. Format of supply chain management system

This Policy provides systems for –

- (i) demand management.
- (ii) acquisition management.
- (iii) logistics management.
- (iv) disposal management.
- (v) risk management; and
- (vi) performance management.

Part 1: Demand management

13. System of demand management

- (1) The accounting officer must establish and implement an appropriate demand management system in order to ensure that the resources required by the municipality support its operational commitments and its strategic goals outlined in the Integrated Development Plan.
- (2) The demand management system must –
 - include timely planning and management processes to ensure that all goods and services required by the municipality are quantified, budgeted for and timely and effectively delivered at the right locations and at the critical delivery dates and are of the appropriate quality and quantity at a fair cost.
 - (a) take into account any benefits of economies of scale that may be derived in the case of acquisitions of a repetitive nature; and
 - (b) provide for the compilation of the required specifications to ensure that its needs are met.
 - (c) to undertake appropriate industry analysis and research to ensure that innovations and technological benefits are maximized.
- (3) Before each financial year commences all Heads of Department/ General Managers must submit as part of the Budget Approval process a procurement plan containing all planned procurement. This procurement plan must be approved by the HOD or his/her delegate
- (4) The procurement plan must include:
 - (l) quantity of goods including monthly requirement.
 - (m) estimated prices; and
 - (n) expected purchase date
 - (o) proposed procurement method

Part 2: Acquisition management



14. System of acquisition management

- (1) The accounting officer must implement the system of acquisition management set out in this Part in order to ensure –
 - (a) that goods and services are procured by the municipality in accordance with authorized processes only.
 - (b) that expenditure on goods and services is incurred in terms of an approved budget in terms of section 15 of the Act.
 - (c) that the threshold values for the different procurement processes are complied with.
 - (d) that bid documentation, evaluation and adjudication criteria, and general conditions of a contract, are in accordance with any applicable legislation.and
 - (e) that any Treasury guidelines on acquisition management are properly taken into account.
- (2) When procuring goods or services contemplated in section 110(2) of the Act, the accounting officer must make public the fact that such goods or services are procured otherwise than through the municipality's supply chain management system, including -
 - (a) the kind of goods or services; and
 - (b) the name of the supplier.

15. Range of procurement processes

- (1) Goods and services may only be procured by way of –
 - (a) petty cash purchases, up to a transaction value of R2 000 (VAT included).
 - (b) **formal written price quotations** for procurements of a transaction value over R2 000 up to R200 000 (VAT included); and
 - (c) a competitive bidding process for–
 - (i) procurements above a transaction value of R200 000 (VAT included); and
 - (ii) the procurement of long-term contracts.
- (2) Goods or services may not deliberately be split into parts or items of a lesser value merely to avoid complying with the requirements of the policy. When determining transaction values, a requirement for goods or services consisting of different parts or items must as far as possible be treated and dealt with as a single transaction.

16. General preconditions for consideration of formal written price quotations or bids

A written quotation or bid may not be considered unless the provider who submitted the formal written quote or bid:

- (a) has furnished that provider's:
 - (i) full name.
 - (ii) identification number or company or other registration number; and
 - (iii) tax reference number and VAT registration number, if any.
- (b) has authorized the municipality to obtain a tax clearance from the South African Revenue Services that the provider's tax matters are in order; and
- (c) has the following declaration where necessary?



- (i) whether he or she is in the service of the state or has been in the service of the state in the previous twelve months.
- (ii) if the provider is not a natural person, whether any of its directors, managers, principal shareholders, or stakeholder is in the service of the state, or has been in the service of the state in the previous twelve months; or
- (iii) whether a spouse, child or parent of the provider or of a director, manager, shareholder or stakeholder referred to in subparagraph (ii) is in the service of the state or has been in the service of the state in the previous twelve months.
- (iv) Bidder's Declaration (MBD4).
- (v) declaration for procurement above R10 million (all applicable taxes included) (MBD5).
- (vi) preference points claim (MBD 6.1).

17. Lists of accredited prospective providers

- (1) The accounting officer must:
 - (a) keep a list of accredited prospective providers of goods and services that must be used for the procurement requirements through formal written price quotations; and
 - (b) at least once a year through newspapers commonly circulating locally, the website and any other appropriate ways, invite prospective providers of goods or services to apply for evaluation and listing as accredited prospective providers.
 - (c) specify the listing criteria for accredited prospective providers; and
 - (d) disallow the listing of any prospective provider whose name appears on the National Treasury's database as a person prohibited from doing business with the public sector.
- (2) The list must be updated at least monthly to include any additional prospective providers and any new commodities or types of services. Prospective providers must be allowed to submit applications for listing at any time.
- (3) The list must be compiled per commodity and per type of service. Prospective providers are allowed to amend the list of commodity and type of service at any given point in time.

Registration on National Treasury Central Supplier Database (CSD)

Prospective supplier of goods and services will be required to register on the National Treasury Central Database to assist in performing validation functions of key supplier information. With effect from 01 July 2016, Municipalities and Municipal Entities must use the CSD supplier number starting with MAAA which is auto generated by the Central Supplier Database System after successful registration and validation of prospective provider as mandatory requirement as part of listing criteria for accrediting prospective provider in line with Section 14(1) (b) of the Municipal Supply Chain Management Regulations.

The CSD will automatically validate the following registration documents for Municipalities.
Confirmation and status of Business Registration Documents



No quotations may be solicited from any supplier/service provider/contractor who is not registered and verified by the National Treasury Central Supplier Database and by the appropriate branch on the Ugu District Municipality Central Supplier Database or is able to be so before the award.

Implementation of the CSD requirement will be phased in gradual over multiple financial years.

- Proof of bank account registration.
- Tax compliance status.
- Employee in the service of the state as defined in the Municipal SCM Regulations with information only available in the CAAT system at this time.
- Identity documentation; and
- Tender defaulters and restrictions status.

The following aspects are work-in-progress and further information will be provided once systems have been upgraded after consultation with relevant stakeholders, they are not yet available, the municipality is required to continue with their existing process:

- BBBEE Status
- CIDB
- Municipal Account status.

The municipality will continue with verification of other listing criteria which are not currently validated by CSD.

18. Petty cash purchases

Refer to Table 2: Specific Procurement Threshold Values under paragraph 5, Sub delegations, for provisions relating to petty cash purchases.

19. Formal written price quotations

- (1) The conditions for the procurement of goods or services through formal written price quotations are as follows:
 - (a) quotations must be obtained in writing from at least three different providers whose names appear on the list of accredited prospective providers of the municipality.
 - (b) quotations may be obtained from providers who are not listed, provided that such providers meet the listing criteria set out in paragraph 17 of this Policy.
 - (c) if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the Chief Financial Officer if the transaction value exceeds R2000, and the procurement system must make provision for recording the names of the potential providers and their written quotations.
- (2) A designated official referred to in subparagraph (1) (c) must within three days of the end of each month report to the chief financial officer on any approvals given during that month by that official in terms of that subparagraph.



20. Procedures for procuring goods or services through formal written price quotations.

A supply chain management policy must determine the procedure for the procurement of goods or services through formal written price quotations, and must stipulate—

- a) that all requirements in excess of R2 001 (VAT included) that are to be procured by means of formal written price quotations must, in addition to the requirements of regulation 17, be advertised for at least seven days on the website and an official notice board of UGU District Municipality.
- b) that when using the list of accredited prospective providers, the accounting officer must promote ongoing competition amongst providers, including by inviting providers to submit quotations on a rotation basis.
- c) that the accounting officer must take all reasonable steps to ensure that the procurement of goods and services through written or verbal quotations or formal written price quotations is not abused.
- d) that the accounting officer or chief financial officer must monthly be notified in writing of all written or verbal quotations and formal written price quotations accepted by an official acting in terms of a sub delegation; and requirements for proper record keeping.

21. Competitive bids

- (1) Goods or services above a transaction value of R200 000 (VAT included) and long-term contracts may only be procured through a competitive bidding process, subject to paragraph 11(2) of this Policy.
- (2) No requirement for goods or services above an estimated transaction value of R200 000 (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process.

22. Process for competitive bidding

The procedures for the following stages of a competitive bidding process are as follows:

- (a) Compilation of bidding documentation as detailed in paragraph 23.
- (b) Public invitation of bids as detailed in paragraph 24.
- (c) Site meetings or briefing sessions as detailed in paragraph 24.
- (d) Handling of bids submitted in response to public invitation as detailed in paragraph 25.
- (e) Evaluation of bids as detailed in paragraph 28.
- (f) Award of contracts as detailed in paragraph 28.
- (g) Administration of contracts
- (i) After approval of a bid, the accounting officer and the bidder must enter into a written agreement.
- (h) Proper record keeping
- (i) Original / legal copies of written contracts agreements should be kept in a secure place for reference purposes.



23. Bid documentation for competitive bids.

The criteria to which bid documentation for a competitive bidding process must comply, must:

- (a) take into account –
 - (i) the general conditions of contract and any special conditions of contract, if specified.
 - (ii) any Treasury guidelines on bid documentation; and
 - (iii) the requirements of the Construction Industry Development Board, in the case of a bid relating to construction, upgrading or refurbishment of buildings or infrastructure.
- (b) include the preference points system to be used, goals as contemplated in the Preferential Procurement Regulations and evaluation and adjudication criteria, including any criteria required by other applicable legislation.
- (c) compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted.
- (d) if the value of the transaction is expected to exceed R10 million (VAT included), require bidders to furnish–
 - (i) if the bidder is required by law to prepare annual financial statements for auditing, their audited annual financial statements –
 - for the past three years; or
 - since their establishment if established during the past three years.
 - (ii) a certificate signed by the bidder certifying that the bidder has no undisputed commitments for municipal services towards a municipality or other service provider in respect of which payment is overdue for more than 30 days.
 - (iii) particulars of any contracts awarded to the bidder by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract.
 - (iv) a statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality or municipal entity is expected to be transferred out of the Republic; and
 - (v) stipulate that dispute must be settled by means of mutual consultation, mediation (with or without legal representation), or, when unsuccessful, in a South African court of law.
 - (vi) **A valid budget and written confirmation by the Chief Finance Officer as per MFMA Circular 62 where Transaction is expected to exceed R10 Million prior to advertisement and**
 - (vii) **A Verification from the Chief Financial Officer prior to the award of contracts above the value of R10 million.**



SUPPLY CHAIN MANAGEMENT POLICY

24. Public invitation for competitive bids

- (1) The procedure for the invitation of competitive bids, is as follows:
- (a) Any invitation to prospective providers to submit bids must be by means of a public advertisement in newspapers commonly circulating locally, the website of the municipality or any other appropriate ways (which may include an advertisement in the Government Tender Bulletin); and
 - (b) the information contained in a public advertisement, must include –
 - (i) the closure date for the submission of bids, which + 30 days in the case of transactions over R10 million (VAT included), or which are of a long term nature, or 21 days in any other case, from the date on which the advertisement is published, subject to subparagraph (2) of this policy;
 - (ii) a condition that “Bids may only be submitted on the bid documentation provided by the municipality”; and
 - (iii) bids must be submitted in a sealed and marked envelope”
 - (iv) a date, time and venue of any proposed site meetings or briefing sessions.
 - (v) Evaluation criteria as well as the minimum qualifying score, where applicable in accordance to the Preferential Procurement Policy Framework Act.
- (2) The accounting officer may determine a closure date for the submission of bids which are less than the 30 or 21 days requirement, but only if such shorter period can be justified on the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official procurement process.

25. Procedure for handling, opening and recording of bids.

The procedures for the handling, opening and recording of bids, are as follows:

- (a) Bids:
 - (i) must be opened only in public.
 - (ii) must be opened at the same time and as soon as possible after the period for the submission of bids has expired; and
 - (iii) received after the closing time should not be considered and returned unopened immediately.

Any bidder or member of the public has the right to request that the names of the bidders who submitted bids in time must be read out and, if practical, also each bidder's total bidding price.



- (a) No information, except the provisions in subparagraph
- (b) relating to the bid should be disclosed to bidders or other persons until the successful bidder is notified of the award; and
- (d) The accounting officer must:
 - (i) record in a register all bids received in time.
 - (ii) make the register available for public inspection; and
 - (iii) publish the entries in the register and the bid results on the website.

26. Negotiations with preferred bidders

- (1) The accounting officer may negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidder, provided that such negotiation –
 - (a) does not allow any preferred bidder a second or unfair opportunity.
 - (b) is not to the detriment of any other bidder; and
 - (c) does not lead to a higher price than the bid as submitted.
- (2) Minutes of such negotiations must be kept for record purposes.
- (3) The multi-disciplinary team undertaking the negotiations must include a representative from SCM Policy and Support Services. The SCM practitioner must preside over the negotiations
- (4) Authority to negotiate price and any conditions of tender with preferred bidder(s) must be approved by the Bid Adjudication Committee and the outcome of the negotiations must be reported back to the Bid Adjudication Committee for final approval or support.
- (5) Authority to negotiate price and any conditions of written or verbal quotations and formal written price quotations must be approved by an official who is sub-delegated in terms of supply chain management code of delegations approved by the accounting officer. The outcome of the negotiations must be reported back to the duly delegated official for final approval.
- (6) The negotiations may include price and or final terms and conditions of tender, project plan and service level agreement.
- (7) Discount offers or alternate offers must be considered for negotiation after the Bid Adjudication Committee has granted authority to consider any alternate or discount offers. Outcome of the negotiation together with the minutes of the negotiation meeting must be reported back to the Bid Adjudication Committee for final approval or support.
- (8) Bid validity must be monitored and where applicable be extended by the Line Department at all times during the process of negotiations.
- (9) The framework or terms of reference for negotiations shall be determined by the Bid Adjudication Committee



27. Two-stage bidding process

- (1) A two-stage bidding process is allowed for –
 - (a) large complex projects.
 - (b) projects where it may be undesirable to prepare complete detailed technical specifications; or
 - (c) long term projects with a duration period exceeding three years.
- (2) In the first stage technical proposals on conceptual design or performance specifications should be invited, subject to technical as well as commercial clarifications and adjustments.
- (3) In the second stage final technical proposals and priced bids should be invited.

28. Committee system for competitive bids

- (1) A committee system for competitive bids is hereby established, consisting of the following committees for each procurement or cluster of procurements as the accounting officer may determine:
 - (a) a bid specification committee.
 - (b) a bid evaluation committee; and
 - (c) a bid adjudication committee.
- (2) The Accounting Officer appoints the members of each committee, considering section 117 of the Act. A neutral or independent observer may be appointed by the Accounting Officer and must attend or oversee a committee when this is appropriate for ensuring fairness and promoting transparency.
- (3) The committee must be consistent with:
 - a) Paragraphs 27 (5), 27 (6) and 27 (7) of this policy; and
 - b) Any other applicable legislation.
- (4) The Accounting Officer may apply the committee system to formal written price quotations.



(5) Bid Specification Committee

a) Appointment of bid specification committee

- (i) The accounting officer must appoint members of the bid specification committee in line with the financial year of the Municipality, in writing.

b) Composition of bid specification committee

- (ii) The committee shall comprise of at least 5 officials from the municipality and may when appropriate, invite an external technical expert.
- (iii) The composition should be as follows:
 - ✓ Chairperson – equivalent grading to Manager and above from the Water Services Directorate - (Permanent member).
 - ✓ Vice Chairperson - equivalent grading to Manager and above - (Permanent member).
 - ✓ Member - equivalent grading to Manager (Permanent member).
 - ✓ Member - Municipal Official (Permanent member); and
 - ✓ An official responsible for demand management (Permanent member).

c) Functions of the Specification Committee:

- (i) It is the responsibility of the committee to compile specifications/ terms of reference for each bid/ quotation for the procurement of goods or services by the municipality and to ensure:
 - ✓ that a proper and unbiased specification is compiled for the specific requirement.
 - ✓ that proper terms of reference are drawn up for the service required clearly indicating the scope of the requirement, the ratio between price and functionality, the evaluation criteria as well as their weights and values.
 - ✓ that strategic sourcing is applied and that the market is properly researched and analyzed.
 - ✓ that the necessary funds are available.
 - ✓ that, in addition to the general conditions of contract, appropriate special conditions of contract are specified, if applicable.
 - ✓ that in terms of the PPPFA, the correct preference point system is prescribed and that appropriate goals are identified, and points allocated for these goals.



(6) Bid evaluation committee

a) Appointment of bid evaluation committee

- (i) The accounting officer must appoint members of the bid evaluation committee in line with the financial year of the Municipality, in writing.
- (ii) Members should declare interest in the bid under consideration up front and such member must automatically recuse himself / herself from participating in the evaluation process.
- (ii) Members should sign oath of secrecy forms up-front.

b) Composition of Bid Evaluation Committee

- (i) The committee must in so far as it may be possible, be cross functional.
- (ii) The committee should comprise of at least 5 (five) officials from the Municipality.
- (iii) The following officials should serve in the Bid Evaluation Committee.
 - ✓ Chairperson – equivalent grading to GM and above - (Permanent member).
 - ✓ Vice Chairperson - equivalent grading to GM and above - (Permanent member).
 - ✓ Legal Services Practitioner (advisory capacity).
 - ✓ Two other Municipal Officials (Permanent members).
 - ✓ SCM Practitioner (Permanent Member); and
 - ✓ The Accounting Officer may appoint an external technical expert to serve in the committee for that specific bid in an advisory capacity only and not as a member.

c) Functions of the Bid Evaluation Committee

- (i) This committee is responsible for the evaluation of bids received, which includes:
 - ✓ Verification of administrative compliance of the bid documents.
 - ✓ Evaluation of bids in accordance with the criteria specified in the bid documents (specification) and the PPPFA Regulations.
 - ✓ Evaluation of each bidder's technical and functional ability to execute the contract.
 - ✓ Verification of NIPP requirements if the contract is in excess of ten million rand (R10m); and
 - ✓ Submission of evaluation report and recommendation(s) regarding the award of the bid to the Adjudication Committee.



(7) Bid Adjudication Committee

a) Appointment of Bid Adjudication Committee

- (i) The Accounting Officer must constitute one Municipality bid adjudication committee.
- (ii) The bid adjudication committee is appointed in writing by the Accounting Officer.
- (iii) Members of the adjudication committee cannot be appointed as members of an evaluation committee.
- (iv) The Accounting Officer shall determine the term of office for members although the tenure may not exceed two (2) years.
- (v) The period of tenure may be renewed if the Accounting Officer deems it necessary.
- (vi) All members as well as the secretary of bid adjudication committee should be cleared at the level of "Confidential" by the accounting officer and should be required to declare their financial interest annually.
- (vii) Committee members should be required to sign the code of conduct upon their appointment.
- (viii) Members may be removed by the Accounting Officer/Accounting Authority if a member's conduct violates the principles of the committee's purpose/mandate or code of conduct.
- (ix) The Accounting Officer/Authority may at any given time replace person for management reasons.
- (x) The functions of BAC should form part of member's performance agreements.

b) Composition of the Bid Adjudication Committee

- (i) The committee must consist of at least five (5) senior officials constituted as follows:
 - ✓ CFO, as the chairperson of the committee (where possible).
 - ✓ Deputy Chairperson: an official at least at a general management level.
 - ✓ Two other Municipal Officials (Senior Manager & Permanent members); and
 - ✓ Head of the SCM Unit is (Permanent member).
- (ii) For the purposes of continuity and not to delay meetings, the AO may also appoint a "secundus" to temporarily replace a member who is absent from meetings due to illness or leave. The AO shall also decide whether or not such "secundus" will have the same powers as members.
- (iii) No external people should serve permanently on the adjudication Committee.



c) Functions of the Bid Adjudication Committee

- (i) Consider the reports and recommendations made by the bid evaluation committee.
- (ii) Depending on the delegations granted by the accounting officer/authority the adjudication committee could make the final award of the bid or make a recommendation to the accounting officer to make the final award.
- (iii) Recommend to the Accounting Officer/Authority the extensions of contracts and deviations if reasonable and justifiable grounds exist.
- (iv) In performing their functions: -
 - ✓ Committee members should be guided by all the applicable SCM, procurement legislations, policies and directives.
 - ✓ Members must declare interest in any specific bid/point on the agenda up front and such member must automatically recuse him/herself from participating in discussions unless the committee decides otherwise.
 - ✓ If a bid adjudication committee decides to award a bid to a bidder other than the one recommended by the Evaluation Committee, the Bid adjudication committee must consult with the Accounting Officer before a final decision is taken.
 - ✓ Accounting Officer /Authority may confirm or vary a recommendation by an Adjudication Committee. In cases where he/she varies with the BAC recommendations reasons should be furnished in writing and reported to the Provincial Treasury within a prescribed period of seven (7) days.
 - ✓ Furthermore, AO may refer back in writing any recommendation of the bid Adjudication Committee to be reworked if there are any material flaws.

d) Bid adjudication committee must ensure that:

- (i) scoring has been fairly, consistently and correctly calculated and applied.
- (ii) disqualifications are justified.
- (iii) all declarations of interest have been captured.
- (iv) all necessary bid documents have been submitted; and
- (v) that valid and accountable reasons/ motivations were furnished for passing over of bids.
- (vi) The bid adjudication committee must consider and rule on all recommendations/ reports regarding the amendment, variation, extension, cancellation, or transfer of contracts awarded.
- (vii) In order to meet their obligations, committee members must be familiar with and adhere to all relevant legislation, the SCM policy, SCM Guide to Accounting Officers and SCM Practice Notes.
- (viii) The highest level of professional competence must be maintained. Furthermore, courteous conduct is expected of all committee members



A declaration form where all members of the committee present at the meeting as well as all officials rendering administrative support during the meeting must be signed to declare that they:

- (i) accept the confidentiality of the contents of the meeting.
- (ii) will not make known anything regarding the meeting, unless officially authorized, and
- (iii) will not purposefully favor or prejudice anybody.
- (iv) The BAC shall submit a monthly report to the Accounting Officer on all awards made for that month as well as other issues it wishes to bring to the attention of the Accounting Officer.

(8) Role of the secretariat

- a) Executes procurement support function for the municipality and a secretariat function for the bid adjudication committee.
- b) The Head of the SCM Unit is an EX-Officio member of the committee without voting powers. He/she serves in an advisory capacity.
- c) Convenes BAC meetings and prepares an agenda for each meeting.
- d) Ensures that all submissions and reports are of good quality and well presented to the committee.
- e) Ensures that the evaluation process is done in a fair and transparent manner.
- f) Ensures that the agenda is dispatched on time.
- g) Takes minutes of all the meetings.
- h) Ensures that proceedings are recorded electronically.
- i) Keeps the attendance register.
- j) Keeps a register of all approved submissions, disapproved, deferred and withheld as well as deviations condoned.
- k) Ensures that the chairperson signs all adopted minutes.
- l) Files all the minutes / documents that served before the committee.

(9) General

- a) In performing their functions, the Committee should be guided by all the applicable SCM, Procurement Legislations, Policies and Directives
- b) No lobbying in Bid Committees or from interested outside parties is allowed.
- c) Any allegations against members must be in writing, substantiated and channelled through the procedure as determined by the accounting officer.
- d) No press release should be made without the approval of the accounting officer.
- e) All the proceedings shall be recorded electronically, and decisions must be recorded.

29. Procurement of banking services

- (1) A contract for banking services –
 - (a) must be procured through competitive bids.
 - (b) must be consistent with section 7 or 85 of the Act; and
 - (c) may not be for a period of more than five years at a time.



- (2) The process for procuring a contract for banking services must commence at least nine months before the end of an existing contract.
- (3) The closure date for the submission of bids may not be less than 60 days from the date on which the advertisement is placed in a newspaper in terms of paragraph 22(1). Bids must be restricted to banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990).

30. Procurement of IT related goods or services

- (1) The municipality shall abide by the provisions of this SCM policy and SITA provisions in the procurement of IT related goods and services.

31. Procurement of goods and services under contracts secured by other organs of state

- a. The accounting officer may procure goods or services under a contract secured by another organ of state, but only if –
 - i. the contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of state.
 - ii. there is no reason to believe that such contract was not validly procured.
 - iii. there are demonstrable discounts or benefits to do so; and
 - iv. that other organ of state and the provider have consented to such procurement in writing.
- b. Subparagraphs (1)(c) and (d) do not apply if –
 - i. a municipality procures goods or services through a contract secured by a municipal entity of which it is the parent municipality.
- c. If the municipality wants to invoke the use of this regulation as part of its procurement competitive bidding process or to give consent to another organ of state it must do so in conjunction with Circular 96 of the MFMA.

32. Procurement of goods necessitating special safety arrangements

- a. The acquisition and storage of goods in bulk (other than water), which necessitate special safety arrangements, including gasses and fuel, should be avoided wherever possible.
- b. Where the storage of goods in bulk is justified, such justification must be based on sound reasons, including the total cost of ownership, cost advantages and environmental impact and must be approved by the accounting officer.

33. Proudly SA Campaign

The municipality supports the Proudly SA Campaign to the extent that, all things being equal, preference is given to procuring local goods and services from-

- Firstly – suppliers and businesses within the municipality or district.
- Secondly – suppliers and businesses within the relevant province.
- Thirdly – suppliers and businesses within the Republic



34. Appointment of consultants

- (1) The accounting officer may procure consulting services provided that any Treasury guidelines in respect of consulting services are considered when such procurements are made.
- (2) Consultancy services must be procured through competitive bids if-
 - (a) the value of the contract exceeds R200 000 (VAT included); or
 - (b) the duration period of the contract exceeds one year.
- (3) In addition to any requirements prescribed by this policy for competitive bids, bidders must furnish particulars of –
 - (a) all consultancy services provided to an organ of state in the last five years; and
 - (b) any similar consultancy services provided to an organ of state in the last five years.
- (4) The accounting officer must ensure that copyright in any document produced, and the patent rights or ownership in any plant, machinery, thing, system or process designed or devised, by a consultant in the course of the consultancy service is vested in the municipality.

35. Deviation from, and ratification of minor breaches of, procurement processes

- (1) The accounting officer may –
 - (a) dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –
 - (i) in an emergency.
 - (ii) if such goods or services are produced or available from a single provider only.
 - (iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile.
 - (iv) acquisition of animals for zoos and/or nature and game reserves; or
 - (v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
 - (b) ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.
- (2) The accounting officer must record the reasons for any deviations in terms of subparagraphs (1)(a) and (b) of this policy and report them to the next meeting of the council and include as a note to the annual financial statements.
- (3) Subparagraph (2) does not apply to the procurement of goods and services contemplated in paragraph 14 of this policy.
 - (a) the imminent threat to health, injury, or death to persons.
 - (b) the imminent threat of damage to property or suffering and death of livestock and animals.
 - (c) The unforeseeable interruption of essential services whose provision is within the municipal competency, including transportation and communication facilities or support services critical to the effective functioning of the Municipality as a whole.
 - (d) the imminent and or unforeseeable of serious damage occurring to the natural environment.



- (e) the imminent threat and or damage of the municipal assets.
- (9) The Municipality is still required to comply with Section 217(1) of the Constitution in the event of an emergency with specific reference to obtaining goods and services on the best possible terms.
- (10) In an emergency, and where possible, at least three quotations must be obtained.
- (12) The value of and duration of contracts which have been concluded because of the emergency must be in accordance with the goods and services required in order to address and/or remedy the immediate emergency. Any other goods and services which may be required subsequent by the municipality. Emergency and relating to such emergency must wherever possible follow the normal tendering process and procedures.
- (13) Procuring goods and services from sole supplier occur in instances where: -
 - (a) only one supplier manufactures or renders goods and services due to unique nature of the requirements.
 - (b) goods and services already in the municipality's value chain/employ are only supplied by an Original Equipment Manufacturer (OEM) or by a licensed agent thereof and there is a requirement for compatibility, continuity, and alignment.
 - (c) the process for approved list of sole suppliers(s) will be as follows:
 - (i) departments requiring the use of sole supplier must issue a circular calling for the of sole supplier(s) who wish to be on the list or database of sole suppliers. SCM Unit shall manage and maintain the list of sole suppliers.
 - (ii) response to the circular must contain appropriate motivation in terms of constitutional pillars of fair, equitable, transparent, cost effective and competitive.
 - (ii) the response to the circular and compilation of the list of sole suppliers must be categorized, screened, and supported by a relevant appointed team. In instances where there is no consensus among the team members such be escalated to Head: SCM for decision and support.
 - (iii) (iv) the supported list of sole suppliers be advertised for public comments and or objections.
 - (iv) in instances where there are objections, such objections be referred to the Head SCM for decision and support.
 - (v) The report must outline how value for money will be achieved and managed.



SUPPLY CHAIN MANAGEMENT POLICY

- (14) Unit or Department invoking the use of section 36 (1) (a) (v) must in all reports to BAC demonstrate that the use of this provision: -
- (a) is not because of poor planning for it being impractical or impossible to follow the official procurement processes. Where there is a risk of poor planning or negligence proof that remedies and actions including disciplinary processes have been taken to avoid recurrence.
 - (b) has considered that it does not prejudice other potential tenderers and meets the requirements of section 217 of the Constitution of the Republic of South Africa.
- (15) The respective Unit Head must sign off a report to BAC invoking section 36 (1) (a) (v) that is accepting full responsibility, accountability for the report and its contents.

36. Unsolicited bids

- (1) In accordance with section 113 of the Act there is no obligation to consider unsolicited bids received outside a normal bidding process.
- (2) The accounting officer may decide in terms of section 113(2) of the Act to consider an unsolicited bid, only if –
- (a) the product or service offered in terms of the bid is a demonstrably or proven unique innovative concept.
 - (b) the product or service will be exceptionally beneficial to or have exceptional cost advantages.
 - (c) the person who made the bid is the sole provider of the product or service; and
 - (d) the reasons for not going through the normal bidding processes are found to be sound by the accounting officer.
- (3) If the accounting officer decides to consider an unsolicited bid that complies with subparagraph (2) of this policy, the decision must be made public in accordance with section 21A of the Municipal Systems Act, together with –
- (a) reasons as to why the bid should not be open to other competitors.
 - (b) an explanation of the potential benefits if the unsolicited bid were accepted; and
- (4) an invitation to the public or other potential suppliers to submit their comments within 30 days of the notice.
- (5) The accounting officer must submit all written comments received pursuant to subparagraph (3), including any responses from the unsolicited bidder to the National Treasury and the relevant provincial treasury for comment.
- (6) The adjudication committee must consider the unsolicited bid and may award the bid or make a recommendation to the accounting officer, depending on its delegations.
- (7)  A meeting of the adjudication committee to consider an unsolicited bid must be open to the public.

- (8) When considering the matter, the adjudication committee must take into account –
 - (a) any comments submitted by the public; and
 - (b) any written comments and recommendations of the National Treasury or the relevant provincial treasury.
- (9) If any recommendations of the National Treasury or provincial treasury are rejected or not followed, the accounting officer must submit to the Auditor General, the relevant provincial treasury and the National Treasury the reasons for rejecting or not following those recommendations.
- (10) Such submission must be made within seven days after the decision on the award of the unsolicited bid is taken, but no contract committing the municipality to the bid may be entered or signed within 30 days of the submission.

37. Combating of abuse of supply chain management system

- (1) The accounting officer must–
 - (a) take all reasonable steps to prevent abuse of the supply chain management system.
 - (b) investigate any allegations against an official or other role player of fraud, corruption, favoritism, unfair or irregular practices or failure to comply with this Policy, and when justified –
 - (i) take appropriate steps against such official or other role player; or
 - (ii) report any alleged criminal conduct to the South African Police Service.
 - (c) check the National Treasury's database prior to awarding any contract to ensure that no recommended bidder, or any of its directors, is listed as a person prohibited from doing business with the public sector.
 - (d) reject any bid from a bidder–
 - (i) if any municipal rates and taxes or municipal service charges owed by that bidder or any of its directors to the municipality, or to any other municipality or municipal entity, are in arrears for more than three months; or
 - (ii) who during the last five years has failed to perform satisfactorily on a previous contract with the municipality or any other organ of state after written notice was given to that bidder that performance was unsatisfactory?
 - (e) reject a recommendation for the award of a contract if the recommended bidder, or any of its directors, has committed a corrupt or fraudulent act in competing for the particular contract.
 - (f) cancel a contract awarded to a person if –
 - (i) the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or
 - (ii) an official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person; and



- (g) reject the bid of any bidder if that bidder or any of its directors –
 - (i) has abused the supply chain management system of the municipality or has committed any improper conduct in relation to such system.
 - (ii) has been convicted for fraud or corruption during the past five years.
 - (iii) has wilfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
 - (iv) has been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).
- (2) The accounting officer must inform the National Treasury and relevant provincial treasury in writing of any actions taken in terms of subparagraphs (1)(b)(ii), (e) or (f) of this policy.

38. Performance Monitoring of Service Providers

A municipal service can be provided by the Municipality by entering into a Service Delivery Agreement in terms of Section 76(b) of the Municipal Systems Act 32 of 2000 with an external service provider. The Municipality is responsible for monitoring and assessing the implementation of the agreement, including the performance of the service provider in accordance with section 41 of the Municipal Systems Act 32 of 2000.

The performance of service providers that have been selected to provide assistance in the provision of a municipal service, otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies, is required, by Section 116 of the Municipal Finance Management Act, to be monitored and reported on.

Section 38 of this policy apply to contracts that have been awarded or reviewed, before or after the adoption of this policy. Furthermore, this policy applies to all tenders with a contract value greater than R10million VAT included.

The objectives of the Performance Monitoring of Service Providers is to:-

- i. Ensure a high quality of service is maintained,
- ii. Detect underperformance early, thereby reducing the risks to projects,
- iii. Create mechanisms to improve performance where targets are not being achieved,
- iv. Provide data to municipal officials so that informed decisions can be made,
- v. Assist in government's developmental objectives in the form of structuring appropriate business,
- vi. support strategies/interventions to targeted enterprises,
- vii. Assess the suitability of a service provider for pre-qualification, selective tender lists or expressions of interest,



39. Allocation of Service providers within the municipality panels

- (3) In terms of section 217 of the Constitution of the Republic of South Africa, 1996: *"When an organ of state in the national, provincial or local sphere of government, or any other institution identified in national legislation, contracts for goods or services, it must do so in accordance with a system which is fair, equitable, transparent, competitive and cost-effective."*

Supply Chain Management is a critical support function to ensure that the rotation of suppliers is maintained. Below is the illustration of steps followed when allocating goods and services to the service providers within the municipality panels to ensure fair distribution of work : -

No	STANDARD PROCEDURE	RESPONSIBLE PERSON	Document
1	User department drafts the allocation form identifying the services needed as well as a detailed specification. The user department must ensure that budget confirmation is obtained against the proposed budget the user intends to use.	End User	Allocation form Budget confirmation Panel Award letter
2	The department Manager, Senior Manager and the GM authorises the allocation form after considering available budget then submits to SCM Office together with the budget confirmation.	Manager: User Department	Allocation form Budget confirmation Panel Award letter
3	SCM Clerk confirms if there is budget through inspection of a valid budget certificate. With the assistance of the allocation register identifies the next eligible suppliers. The contracts coordinator reviews the eligibility of the contractors. The SCM clerk shall then request quotes from the service providers within the panel.	SCM Clerk Contracts coordinator SCM Manager	Allocation form Budget confirmation Panel Award letter Panel rotation register
4	Once quotes are received, the Requesting Official together with the End User manager goes through the quotes as per their specification and identify the lowest quote that meets all the specifications. They will then approve and send back to the SCM Office for Approval. The contracts coordinator shall review the allocation against the contract register and recommends the allocation.	SCM Clerk Contracts coordinator SCM Manager	Allocation form Budget confirmation Panel Award letter Panel rotation register Quotations received
5	The SCM Manager reviews the complete allocation document for the following: - Budget availability - Fair rotation - Fair Price quoted.	SCM Manager	Allocation form Budget confirmation Panel Award letter Panel rotation register Quotations received
6	The final step is an approval by the Chief Financial Officer once he approves, the allocation form is sent to the Service provider and the User department for user to create a requisition on the system. The user department must then prepare a requisition on the financial system.	SCM Clerk SCM Manager CFO	Allocation form Budget confirmation Panel Award letter Panel rotation register Quotations received



40. Amendments to contracts – MFMA Section 116(3)

(1) This section is applicable to all contracts and Circular 62 and Section 116(3) of the Act must be complied with in respect of amendments to contracts.

Section 116(3) of the Act states:

“A contract or agreement procured through the supply chain management policy of the municipality or municipal entity may be amended by the parties, but only after-

(a) The reasons for the proposed amendment have been tabled in the council of the municipality or, in the case of a municipal entity, in the council of its parent

(b) The local community-

- i. has been given reasonable notice of the intention to amend the contract or agreement; and
- ii. has been invited to submit representations to the municipality or municipal entity”

(b) Reports for the application of the amendments to contract must include sufficient details including all previous amendments or variations, the start and the end dates of a contract, original contract value, proposed additional contract value, percentage of the proposed additional contract value against original contract value.



Part 3: Logistics, Disposal, Risk, Performance and Contract Management

41. Logistics management

The accounting officer must establish and implement an effective system of logistics management, which must include -

- (a) the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number.
- (b) the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock.
- (c) the placing of manual or electronic orders for all acquisitions other than those from petty cash; (d) before payment is approved, certification by the responsible officer that the goods and services are
received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract.
- (e) appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased.
- (f) monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for goods or services.

42. Disposal management

- (1) The store manager shall monthly identify obsolete and slow-moving stock that should be disposed of.
- (2) He shall motivate for their disposal, together with necessary documentation, to the SCM Manager for recommendation for disposal thereof.
- (3) All such stock disposals must be approved by both, the chief financial officer, and the municipal manager.
- (4) Once approved, the stock must be physically transferred for safe keeping and disposal to the disposal unit



43. Risk management

- (1) The SCM unit shall subscribe to the Municipal Risk Management Policy and its related risk management processes.
- (2) Risks are identified and assessed in terms of impact and likelihood.
- (3) Mitigating measures are developed, implemented, and regularly monitored.
- (4) Risk management must include –
 - (a) the identification of risks on a case-by-case basis.
 - (b) the allocation of risks to the party best suited to manage such risks.
 - (c) acceptance of the cost of the risk where the cost of transferring the risk is greater than that of retaining it.
 - (d) the management of risks in a pro-active manner and the provision of adequate cover for residual risks; and
 - (e) the assignment of relative risks to the contracting parties through clear and unambiguous contract documentation.

44. Performance management

The accounting officer must establish and implement an internal monitoring system in order to determine, on the basis of a retrospective analysis, whether the authorized supply chain management processes were followed and whether the objectives of this Policy were achieved.

45. Contract Management

Contract management processes interact with supply chain management (SCM) processes and project management as well as others. Contracts relating to acquisition and disposal of goods and services will need varying levels of management intervention depending on their value, duration, complexity and the strategic importance of the goods and services. Contract management should ideally feed information into demand management, logistics management, and supply chain performance systems.



Part 4: Other matters

46. Prohibition on awards to persons whose tax matters are not in order.

- (1) No award above R15 000 may be made in terms of this Policy to a person whose tax matters have not been declared by the South African Revenue Service to be in order.
- (2) Before making an award to a provider or bidder, a tax clearance certificate from SARS or Tax Compliance PIN must first be provided and be verified on the SARS website by the municipality.
- (3) If SARS does not respond within 7 days such person's tax matters may for purposes of subparagraph (1) be presumed to be in order.
- (4) Where a recommended bidder is not tax compliant the bidder should be notified of their non-compliant status and the bidder must be requested to submit to the municipality within (7) working days, written proof from SARS of their tax compliance status or proof from SARS that they have made an arrangement to meet their outstanding tax obligations. The proof of tax compliance status submitted by the bidder must be verified via CSD or e-filing. AO should reject a bid/quote submitted if such bidder fails to provide proof of tax compliance status within the timeframe as stated above.
- (5) Where goods have been delivered satisfactorily without any dispute, the AO should not delay processing payment of invoices due to outstanding tax matters

47. Prohibition on awards to persons in the service of the state

Irrespective of the procurement process followed, no award may be made to a person in terms of this Policy

- (a) who is in the service of the state?
- (b) if that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state; or
- (c) a person who is an advisor or consultant contracted with the municipality.

48. Awards to close family members of persons in the service of the state

The accounting officer must ensure that the notes to the annual financial statements disclose particulars of any award of more than R2000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months, including –

- (a) the name of that person.
- (b) the capacity in which that person is in the service of the state; and
- (c) the amount of the award.



49. Code of conduct

- (1) The purpose of this Code of Conduct is to promote mutual trust and respect and an environment where business can be conducted with integrity and in a fair and reasonable manner.

(2) General Principles

- a) The municipality commits itself to a policy of fair dealing and integrity in the conducting of its business. Officials and other role players involved in supply chain management (SCM) are in a position of trust, implying a duty to act in the public interest. Officials and other role players should not perform their duties to unlawfully gain any form of compensation, payment or gratuities from any person, or provider/contractor for themselves, their family or their friends.
- b) Officials and other role players involved in SCM should ensure that they perform their duties efficiently, effectively and with integrity, in accordance with the relevant legislation, policies and guidelines. They should ensure that public resources are administered responsibly.
- c) Officials and other role players involved in SCM should be fair and impartial in the performance of their functions. They should at no time afford any undue preferential treatment to any group or individual or unfairly discriminate against any group or individual. They should not abuse the power and authority vested in them.

(3) Conflict of interest

An official or other role player involved with supply chain management:

- a. must treat all providers and potential providers equitably.
- b. may not use his or her position for private gain or to improperly benefit another person.
- c. may not accept any reward, gift, favor, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of that person, of a value more than R350.
- d. must declare to the accounting officer details of any reward, gift, favor, hospitality or other benefit promised, offered or granted to that person or to any close family member, partner or associate of that person.
- e. must declare to the accounting officer details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process, or in any award of a contract by the municipality.
- f. must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest.
- g. must declare any business, commercial and financial interests or activities undertaken for financial gain that may raise a possible conflict of interest.
- h. should not place him/herself under any financial or other obligation to outside individuals or organizations that might seek to influence them in the performance of their official duties; and
- i. Should not take improper advantage of their previous office after leaving their official position.



(4) Accountability

- a) Practitioners are accountable for their decisions and actions to the public.
- b) Practitioners should use public property scrupulously.
- c) Only accounting officers or their delegates have the authority to commit the municipality to any transaction for the procurement of goods and / or services.
- d) All transactions conducted by a practitioner should be recorded and accounted for in an appropriate accounting system. Practitioners should not make any false or misleading entries into such a system for any reason whatsoever.
- e) Practitioners must assist the accounting officer in combating fraud, corruption, favoritism and unfair and irregular practices in the supply chain management system.
- f) Practitioners must report to the accounting officer any alleged irregular conduct in the supply chain management system which that person may become aware of, including
 - (i) any alleged fraud, corruption, favoritism, or unfair conduct.
 - (ii) any alleged contravention of the policy on inducements, rewards, gifts and favors to municipalities or municipal entities, officials, or other role players; and
 - (iii) any alleged breach of this code of conduct.
- g) Any declarations made must be recorded in a register which the accounting officer must keep for this purpose. Any declarations made by the accounting officer must be made to the mayor who must ensure that such declaration is recorded in the register.

(5) Openness

Practitioners should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only if it is in the public interest to do so.

(6) Confidentiality

- a) Any information that is the property of the municipality or its providers should always be protected. No information regarding any bid / contract / bidder / contractor may be revealed if such an action will infringe on the relevant bidder's / contractors' personal rights.
- b) Matters of confidential nature in the possession of officials and other role players involved in SCM should be kept confidential unless legislation, the performance of duty or the provision of law requires otherwise. Such restrictions also apply to officials and other role players involved in SCM after separation from service.

(7) Bid Specification / Evaluation / Adjudication Committees

- a) Bid specification, evaluation and adjudication committees should implement supply chain management on behalf of the municipality in an honest, fair, impartial, transparent, cost-effective and accountable manner.
- b) Bid evaluation / adjudication committees should be familiar with and adhere to the prescribed legislation, directives and procedures in respect of supply chain management in order to perform effectively and efficiently.



- c) All members of bid adjudication committees should be cleared by the accounting officer at the level of "CONFIDENTIAL" and should be required to declare their financial interest annually.
- d) No person should:
 - (i) interfere with the supply chain management system of the municipality or
 - (ii) amend or tamper with any price quotation / bid after its submission.

(8) Combative Practices

Combative practices are unethical and illegal and should be avoided at all costs. They include but are not limited to:

- a. Suggestions to fictitious lower quotations.
- b. Reference to non-existent competition.
- c. Exploiting errors in price quotations / bids.
- d. Soliciting price quotations / bids from bidders / contractors whose names appear on the Register for Tender Defaulters.

50. Inducements, rewards, gifts and favors to municipalities, officials and other role players.

- (1) This policy ensures that the officials employed by the municipality do not unlawfully, for private gain, accept gifts, rewards or favors from Customers/ Public or any person who either seeks or has any business relations with the municipality:

- a) An official, upon possible or actual receipt of a reward or gift of whatever nature and regardless of the total value thereof from a benefactor must immediately disclose this to his or her immediate Manager/Supervisor.
- b) The prescribed discloser form to be duly completed and signed by the official and handed to the Manager/ Supervisor or in his absence to the official appointed in an Acting capacity.
- c) The General Manager/ Supervisor must acknowledge receipt of the disclosure form and hand same to the Municipal Manager for his authorization.
- d) In the event that the General Manager/ or the Municipal Manager be of the opinion that the gift reward or favor constitutes bribery or will unduly influence the official or enrich him/ her, the General Manager or Municipal Manager will advise the official accordingly in writing.
- e) Under the circumstances prescribed in clause (d) above, the gift or reward will be returned to the benefactor and the favor refused. The circumstances will be given to the benefactor.
- f) A register of all gifts, rewards and/ or favors accepted by employees shall be maintained by each Head of Department, which shall be inspected by the Municipal Manager monthly.

- (2) Exclusions:

- a) Gifts received during conferences, workshops, seminars, and meetings which accrue to all participants at same conference, workshop, or seminar.
- b) Gifts received as a token of appreciation for the delivery of an address/ speech at a conference, seminar, or workshop.
- c) Gifts such as calendars, diaries, cufflinks, ties, scarves, or articles for normal office use which display

the supplier's name, trademark, or logo and which are presented for advertising purposes; and

- d) Gifts less than R350 in value.



- (3) The accounting officer must promptly report any alleged contravention of subparagraph (1) to the National Treasury for considering whether the offending person, and any representative or intermediary through which such person is alleged to have acted, should be listed in the National Treasury's database of persons prohibited from doing business with the public sector.

51. Sponsorships

The accounting officer must promptly disclose to the National Treasury and the relevant provincial treasury any sponsorship promised, offered, or granted, whether directly or through a representative or intermediary, by any person who is –

- (a) a provider or prospective provider of goods or services; or
- (b) a recipient or prospective recipient of goods disposed or to be disposed.

52. Objections and complaints

Persons aggrieved by decisions or actions taken in the implementation of this supply chain management system, may lodge within 14 days of the decision or action indication of their grievance.

53. Resolution of objections and complaints against procurement process

- (1) The accounting officer must appoint an independent and impartial official, not directly involved in the supply chain management processes to assist in the resolution of objections and complaints between the municipality and any other person regarding:
 - a) the implementation of the procurement process in terms of the supply chain management system; or
 - b) any matter arising from the implementation of the procurement process in terms of the supply chain management system.
- (2) The accounting officer, or another official designated by the accounting officer, is responsible for assisting the appointed person to perform his or her functions effectively.
- (3) The person appointed must –
 - a) strive to resolve promptly all objections and complaints received; and
 - b) submit monthly reports to the accounting officer on all such objections and complaints received, attended to or resolved.
- (4) If the independent and impartial person referred to in paragraph (1), is of the view that a matter should be dealt with in terms of paragraph externally, , he or she shall forthwith refer the matter to the Municipal Bid Tribunals convened at Provincial Treasury; and that Tribunal shall then hear and determine the matter.
- (5) An objection or complaint may be referred to the KwaZulu-Natal Provincial Treasury if:
 - a) the objection or complaint is not resolved within 60 days: or
 - b) no response is forthcoming within 60 days.
- (6) If the Provincial Treasury does not or cannot resolve the matter, the objection or complaint may be referred to the National Treasury for resolution.



54. Municipal Bid Appeals Tribunal

- (1) The council shall utilize a Municipal Bid Appeals Tribunal for matters referred by the Independent & Impartial person referred to in 49 above
- (3) The powers, duties and functions of the Municipal Bid Appeals Tribunal, and matters incidental thereto, are set out in the Rules which are appended to this Supply Chain Management Policy and marked Appendix A.
- (4) The administrative and secretarial work involved in the performance of the duties and functions of the Municipal Bid Appeals Tribunal shall be performed by officers of the Provincial Treasury as set out in the Rules referred to in paragraph.
- (5) There shall be no further appeal against a decision of the Municipal Bid Appeals Tribunal, except for where normal legal rights exist, such as referral to High Court for Review. /PAJA.

55. Contracts providing for compensation based on turnover.

- 54.1 If a service provider acts on behalf of a municipality to provide any service or act as a collector of fees, service charges or taxes and the compensation payable to the service provider is fixed as an agreed percentage of turnover for the service or the amount collected, the contract between the service provider and the municipality must stipulate:
 - (a) a cap on the compensation payable to the service provider; and
 - (b) that such compensation must be performance based.

56. Roles and responsibilities

- 55.1 The SCM unit is tasked with the effective and efficient implementation of this policy document, thereby ensuring compliance with and enforcement of the SCM policy.

57. Monitoring and Evaluation

- 56.1 This Policy shall be monitored and evaluated by the Policy Committee and regular monitoring reports submitted to the Management Committee Meeting, Portfolio Committee, Executive Committee and Full Council Meetings.

58. Commencement of The Policy

- 58.1 This Policy shall come into effect on the date of the adoption by the Ugu District Municipality Council.

59 Amendment and/or Abolition

- 59.1 This policy may be amended or repealed by the Municipality through a Council Resolution.

60 Compliance and Enforcement

- 60.1 Violation or non-compliance with this policy will give a just cause for disciplinary steps to be taken.



61. POLICY REVIEW

62.1 This Policy will be reviewed annually to ensure applicability and relevance.

APPEAL PROCESS/ GRIEVANCE PROCEDURE

The policy must also state what will happen if one of the users thereof is not satisfied or there is a violation with the implementation process.

Records of Approval

Meeting	Date	Resolution
Review 2021/2022		
Policy Review Committee	20 January 2022	Recommended to MANCO
MANCO	24 January 2022	Recommended to Portfolio Committee on Finance
Portfolio Committee on Finance	03 February 2022	Recommended to EXCO
EXCO	06 March 2022	Recommended to Council
Council	26 May 2022	Approved
Review 2022/2023		
Policy Review Committee	10 February 2023	Recommended to MANCO
MANCO	24 April 2023	Recommended to Portfolio Committee on Finance
Portfolio Committee on Finance	16 May 2023	Recommended to EXCO
EXCO	17 May 2023	Recommended to Council
Council	25 May 2023	Approved
Review 2023/2024		
Policy Review Committee	14 February 2024	Recommended to MANCO
MANCO		
Portfolio Committee on Finance		
EXCO		
Council		

REVIEWED

By N.Msomi at 3:45 pm, Mar 04, 2024

APPROVED

By N.Msomi at 10:20 am, Mar 07, 2024





UGU DISTRICT MUNICIPALITY

Policy Custodian	BTO
Policy Name	Preferential Procurement Policy
Policy Number	5/21/P/3
Status	Review
Date	2023/2024 FY
Approved by	Council
Date First Approved	29 January 2023
Date Last Approved	29 January 2023
Date for Next Review	2024/25 FY

RECEIVED

By N.Msomi at 10:17 am, Mar 07, 2024



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PREAMBLE

- This policy is intended to assist the municipality with the development of their organizational preferential procurement policies as provided for by the Constitution of the Republic of South Africa, Act 108 of 1996 (RSA Constitution), Preferential Procurement Policy Framework Act, Act Number 5 of 2000 (PPPFA) and the Broad-Based Black Economic Empowerment, Act 53 of 2003.
- The Preferential Procurement Policy Framework Act requires an Organ of State to determine its Preferential Procurement Policy and to implement it within the framework prescribed.

1. INTRODUCTION

The Constitution of South Africa Act 108 of 1996, and the Municipal Finance Management Act No.56 of 2003, (MFMA) prescribe that procurement for any organ of the State should be dealt with through a system that is fair, equitable, competitive, transparent, and cost-effective. The Constitution also allows for the implementation of Supply Chain Management policies providing for categories of preference in the allocation of contracts and the protection, or advancement, of persons previously disadvantaged by unfair discrimination. The public sector Supply Chain Management system can be utilized to attain certain socio-economic objectives. Ugu District Municipality is committed to good governance and the promotion of previously marginalized individuals and businesses.

2. PURPOSE

This Policy aims to ensure that the manner in which Ugu District Municipality procures goods and services: -

- 2.1 is fair, equitable, transparent, competitive, and cost-effective as envisaged in section 217 of the Constitution of the Republic of South Africa, 1996 and section 51(1)(a)(iii) of the MFMA.
- 2.2 complies with the MFMA and the Treasury Regulations or Treasury Instructions regarding supply chain management and other applicable regulations or Instructions in terms of the MFMA.
- 2.3 complies with the PPPFA, BBEEA, the SITA Act, and other applicable legislation, including applicable subordinate legislation made under any such legislation.
- 2.4 provides the Ugu District Municipality with the best value for money while improving service delivery.



- 2.5 Pursues specific preference, including socio-economic objectives through a preference points system forBEE, in accordance with the MFMA.
- 2.6 Implement efficient and effective supply chain management as an integral part of financial managementand Standardises SCM activities within the Ugu District Municipality.
- 2.7 The legislative requirement of the Preferential Procurement Policy Framework Act, 2000 by determiningthe preferential procurement system and the specific goals that must be followed in the awarding of tenders.

3. DEFINITIONS AND TERMS

For the purpose of this policy the following definitions and abbreviations are applicable:

3.1 **80/20 Preference System** : Point System applied to evaluate all quotations with the rand equal to or below value R50million.

3.2 **90/10 Preference System** : Procurement System applied to evaluate all procurement with the rand value above R50 000 000.00 (Bids/Tenders)

3.3 **Acceptable Tender** : This means a tender offer, duly submitted by a prospective service provider, that meets the minimum requirements as set out in the bid documents

3.4 **Black People** : As defined in Broad-Based Black Economic Empowerment Act 53 of 2003 as amended by act 46 of 2013

3.5 **Highest acceptable tender** : means a tender that complies with all specifications and conditions of tender andthat has the highest price compared to other tenders

3.6 **Lowest acceptable tender** : means a tender that complies with all specifications and conditions of tender andthat has lowest price compared to other tenders

3.7 **A Proponent** : Any person, whether natural or juristic, that submits an unsolicited proposal to aninstitution

3.8 **Designated Groups** : This means ; (1)black designated groups, (ii) black people (iii) women ,(vi) peoplewith disabilities, (v) military veterans, (vii) small enterprises; as defined in section 1 of the National Small Enterprises Act, 1996 (Act No 102 of 1996

3.9 **EME** : This means an exempted micro-enterprise in terms of the codes of good practice on black economic empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act

3.10 **Military Veteran** : Has the meaning assigned to it in section 1 of the Military Veterans Act 18 of2011



3.11 **People with disabilities** : Has the meaning assigned to it in section 1 of the Employment Equity Act 55 of 1998

3.12 **Price** : Includes all applicable taxes less all unconditional discounts

3.13 **QSE** : This means a qualifying small business enterprise in terms of the codes of good practice on black economic empowerment issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act

3.14 **Rand Value** : This means the total estimated value of a contract in rands calculated at the time of the tender invitation

3.15 **Rural Area** : A sparsely populated area in which people farm or depend on natural resources, including villages and small towns that are dispersed through the area; or An area including a large settlement which depends primarily on migratory labour and remittances and government social grants for survival and that may have a traditional land tenure system

3.16 **Specific goals** : means specific goals as contemplated in section 2(1)(d) of the Act which may include contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender and disability including the implementation of programmes of the Reconstruction and Development Programme as published in Government Gazette No. 16085 dated 23 November 1994

3.17 **Tender** : This means a written offer or bid in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of services or goods

3.18 **Tender For Income-Generating Contracts** : means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auction.

3.19 **The Act** : This means the Preferential Procurement Policy Framework Act 5 of 2000

3.20 **Youth** : Has the meaning assigned to it in section 1 of the National Youth Development Agency Act 54 of 2008



4. ABBREVIATIONS

Abbreviation	Description
BAC	Bid Adjudication Committee
BEC	Bid Evaluation Committee
BEE	Black Economic Empowerment
BBBEEA	Broad Based Black Economic Empowerment Act, 2003 (Act 53 of 2003), as amended
SCM	Supply Chain Management
IT	Information Technology
NT	National Treasury
MFMA	Public Finance Management Act, 1999 (Act 1 of 1999), as amended.
PPP	Public Private Partnerships
PPPFA	Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000), as amended
RFQ	Request for Quotation
SARS	South African Revenue Services
SITA	State Information Technology Agency
SITA Act	State Information Technology Agency Act, 1998 (Act 88 of 1998) as amended
SLA	Service Level Agreement
TOR	Terms of Reference

5. PRESCRIPTIVE/LEGAL FRAMEWORK

The Procurement Policy of the Ugu District Municipality has been written in accordance with the instructions and guidelines published by Government. This policy is based on the following legislation and regulations:

- 5.1 The Constitution of the Republic of South Africa, 1996
- 5.2 The Municipal Finance Management Act No.56 of 2003, (MFMA) and Treasury regulations issued in terms thereof.
- 5.3 Preferential Procurement Policy Framework Act (Act 5 of 2000); and its regulations.
- 5.4 Supply Chain Management Guidelines for Accounting Officers.
- 5.5 The various National and Provincial Treasury practice notes, circulars, and letters; and
- 5.6 The State Information Technology Agency Act.
- 5.7 Broad Based Black Economic Empowerment (BBBEE) Act.
- 5.8 Prevention and Combating of Corrupt Activities Act 12 of 2004 (Corruption Act)
- 5.9 Construction Industry Development Board Act 38 of 2000 (CIDBA)
- 5.10 Promotion of Access to Information Act 2 of 2000 (PAIA)
- 5.11 Promotion of Administrative Justice Act 3 of 2000 (PAJA)
- 5.12 Treasury regulations



6. POLICY APPLICATION

This policy applies to all Ugu District Municipality officials and shall be applied to all activities and/or tasks related to the preferential procurement process.

7. PROCUREMENT SOURCING STRATEGY

The Ugu District Municipality will determine the applicable procurement sourcing strategies in the invitation of tenders or quotations. This process shall include market research or industry analysis or commodity analysis to determine procurement opportunities and supply market to ensure efficacy in the procurement system of the UGU DISTRICT MUNICIPALITY.

8. LEGISLATIVE BACKGROUND

Preferential Procurement must be implemented within the confines of the Constitution of the Republic of South Africa, Act 108 of 1996, particularly section 217 (2) and (3) of the Act. The Constitution is then supported by the Preferential Procurement Policy Framework Act; Act No. 5 of 2000 and its Regulations.

8.1 The Constitution of the Republic of South Africa, Act 108 of 1996

Section 217 of the Constitution provides for the following:

8.1 .1 When an organ of state in the national, provincial, or local sphere of government, or any other institution identified in national legislation, contracts for goods or services, it must do so in accordance with a system which is fair, equitable, transparent, competitive and cost-effective.

8.1.2 Subsection (1) does not prevent the organs of state or institutions referred to in that subsection from implementing a procurement policy providing for—

8.1.3 categories of preference in the allocation of contracts; and

8.1.4 the protection or advancement of persons, or categories of persons, disadvantaged by unfair discrimination.

National legislation must prescribe a framework within which the policy referred to in subsection (2) must be implemented.

8.2 The Preferential Procurement Policy Framework Act No. 5 Of 2000 (PPPFA)

In line with section 217 (3) of the Constitution, the PPPFA has provided a framework within which the policy referred to in subsection (2) of Section 217 of the Constitution must be implemented. Section 2 of the PPPFA provides for the following:



8.2.1 Section 2 of the PPPFA: Framework for implementation of preferential procurement policy. –

8.2.1.1 An organ of state must determine its preferential procurement policy and implement it within the following framework:

(a) A preference point system must be followed.

(b) (i) for contracts with a Rand value above **R50 Million** a maximum of **10 points** must be allocated for specific goals as contemplated in paragraph (d) provided that the lowest acceptable tender scores **90 points** for price.

(ii) for contracts with a Rand value above **R2 000** and below **R50 Million** a maximum of **20 points** must be allocated for **specific goals** as contemplated in paragraph (d) provided that the lowest acceptable tender scores **80 points for price**.

(c) any other acceptable tenders which are higher in price must score fewer points, on a pro rata basis, calculated on their tender prices in relation to the lowest acceptable tender, in accordance with a prescribed formula.

(d) the specific goals may include:

(i) contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender or disability;

(ii) implementing the programmes of the Reconstruction and Development Programme as published in *Government Gazette* No. 16085 dated 23 November 1994.

(e) any specific goal for which a point may be awarded, must be clearly specified in the invitation to submit a tender.

(f) the contract must be awarded to the tenderer who scores the highest points, unless objective criteria in addition to those contemplated in paragraphs (d) and (e) justify the award to another tenderer; and

(g) any contract awarded on account of false information furnished by the tenderer to secure preference in terms of this Act, may be cancelled at the sole discretion of the Municipality without prejudice to any other remedies the organ of state may have.

(h) Any goals contemplated in subsection (1) (e) must be measurable, quantifiable, and monitored for compliance.

9. APPLICATION OF PREFERENCE POINTS

9.1 The Ugu District Municipality shall conduct an industry and commodity analysis to obtain an indicative market-related prices that may be used for benchmarking purposes. Based on the results of the analysis the Ugu District Municipality shall determine the preference points system, which may be 80/20 or 90/10 as stipulated in



9.2 paragraphs 8.1 and 8.2 below. The applicable preference points system shall be stipulated in the quotation/bid invitation document and shall be used to evaluate offers received.

9.3 The tender/ quotation invitation shall stipulate the specific goals and the points that will be awarded to each goal and proof that must be submitted to claim for such a goal.

If there is uncertainty on the preference point system to be applied, the bid must be advertised with a directive that:

- 9.3.1 The invitation of tender for income- generating contracts, that either the 80/20 or 90/10 preference point system will apply, and the highest acceptable tender will be used to determine the applicable preference point system; or
- 9.3.2 Any other invitation of tender that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system.

9.4 80/20 Preference Points System

The PPPFA and its Regulations prescribe the framework for the preference point system. The Act and its Regulations incorporate the '80/20' and '90/10' preference point system, which the Ugu District Municipality shall apply, as required. **The 80/20 preference point system will apply to all acquisitions of goods, works and/or services for a Rand value equal to or below R 50 million.**

- 9.4.1 The following formula shall be used to calculate the points out of 80 for price in respect of quotations/bids with a Rand value equal to or below R50 000 000 (all applicable taxes included):

$$P_s = 80 - \frac{P_t - P_{min}}{P_{min}} \times 80$$

Where P_s = Points scored for price of bid under consideration. P_t =

Price of bid under consideration; and

P_{min} = Price of lowest acceptable bid.

- 9.4.2 Points for Specific Goals: 20 points

9.4.2.1 A maximum of 20 points may be awarded to a tenderer for the specific goal specified in the tender/ quotation

9.4.2.2 Points scored for the specific goals must be added to the points scored for price and the total must be rounded off to the nearest two decimal places



9.4.2.3 The contract must be awarded to the tenderer scoring the highest points subject to section 2 (1) (f) of the PPPFA, 2000.

9.5 The following formula shall be used to calculate the points out of 90 for price in respect of quotations/bids with a Rand value above R50 000 000 (all applicable taxes included):

$$P_s = 9988 \text{ ₤}11 \frac{P_t - P_{min}}{P_{max} - P_{min}}$$

Where P_s = Points scored for price of bid under consideration. P_t =

Price of bid under consideration; and

P_{min} = Price of lowest acceptable bid.

- A maximum of 10 points may be awarded to a tenderer for the specific goal specified in the tender/ quotation
- Points scored for the specific goals must be added to the points scored for price and the total must be rounded off to the nearest two decimal places
- The contract must be awarded to the tenderer scoring the highest points subject to section 2 (1) (f) of the PPPFA, 2000.

9.6 **80/20 preference point system for tenders/ quotations for income-generating contracts with Rand value equal to or below R50 million**

The following formula must be used to calculate the points for price in respect of an invitation of bid/ quotation for income generating contracts, with a Rand value equal to or below R50 million or above R50 million inclusive of all applicable taxes:

$$P_s = 8888 \text{ ₤}11 + \frac{P_t - P_{max}}{P_{max}} \quad \text{or} \quad P_s = 9988 \text{ ₤}11 + \frac{P_t - P_{max}}{P_{max}}$$

Where:

P_s = Points scored for price of bid under consideration. P_t =

Price of bid under consideration; and

P_{max} = Price of highest acceptable tender.



- a) A maximum of 20 or 10 points may be awarded to a tenderer for the specific goal specified in the tender/ quotation
- b) Points scored for the specific goals must be added to the points scored for price and the total must be rounded off to the nearest two decimal places
- c) The contract must be awarded to the tenderer scoring the highest points subject to section 2 (1) (f) of the PPPFA, 2000.



10 INSTITUTIONAL PREFERENTIAL PROCUREMENT POINT SYSTEM

Specific Goals

- ✓ means specific goals as contemplated in section 2(1)(d) of the Act which may include contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender and disability including the implementation of programmes of the Reconstruction and Development Programme.

Ownership

- ✓ The equity ownership equates to the percentage of an enterprise or business owned by individuals or, in respect of a company, the percentage of a company's shares that are owned by individuals, who are actively involved in the management of the enterprise or business and exercise control over the enterprise, commensurate with their degree of ownership at the closing date of the tender. Preference points stipulated in respect of a tender must include preference points for equity ownership by HDIs.

Empowerment

- ✓ "Empowerment is a practice of sharing information, rewards, and power to empower local contractors in order to build their capacity and also to create jobs. To empower and develop SMMEs, Rural and Township Business will help small businesses compete with larger brands."

Reconstruction & Development Programme (RDP) Goals

- ✓ RDP attempted to combine measures to boost the economy such as contained fiscal spending, sustained or lowered taxes, reduction of government debt and trade liberalisation with socially minded social service provisions and infrastructural projects.

Other Specified Goals

- ✓ "To empower contractors in order to build their capacity and to address unemployment by giving opportunities to Enterprises 100% owned by Youth, Women, Disabled and Military Veterans.



The tender/ quotation invitation shall stipulate the specific goals and the points that will be allocated to each goal and proof for verification must be submitted to claim for such a goal. **Point System A** (Table Below) will be used where it is feasible to Sub-Contract

10.1. Specific Goals Point System: A

	Categories	Weight	80 20	90 10	Supporting Documentation
1	Ownership	50%	10	5	
2	Empowerment	20%	4	2	
3	Reconstruction & Development Programme	20%	4	2	
4	Other- Municipal Specified Goals	10%	2	1	
		100%	20	10	
#	Specific Goal(s)	Weight	80 20 PP	90 10 PP	
	Ownership Categories :				
1	Broad Based Black Economic Empowerment:				
	BBBEE Level 1	100%	10	5	CSD & BBBEE Certificate
	BBBEE Level 2	80%	8	4	CSD & BBBEE Certificate
	BBBEE Level 3 to 8	40%	4	2	CSD & BBBEE Certificate
	Empowerment				
2	Sub-Contracting: [Min 5% for >R5 Million] [Max 30% < R30 Million]				
	1. an EME or QSE which is at least 100% owned by black people;	100%	4	2	Sworn-Affidavit QSE/EME
	2. an EME or QSE which is at least 51% owned by black people;	50%	2	1	Sworn-Affidavit QSE/EME
	3. an EME or QSE which is at 25% - 50% owned by black people;	25%	1	0.5	Sworn-Affidavit QSE/EME
3	Promotion of Local Business(s) - RDP				
	1. Enterprise Located within the District Municipality - Rural	100%	4	2	CSD & Utilities: POR*: SAPS Affidavit
	2. Enterprise Located within the District Municipality - Urban	75%	3	1.5	CSD & Utilities: POR*: SAPS Affidavit
	2. Enterprise Located within the Province	25%	1	0.5	CSD & Utilities: POR*: SAPS



Preferential Procurement Policy

					Affidavit
4	-- Other Specific Goals				
	1. Enterprise 100% owned by Youth/Women/Disabled/ Military V	100%	2	1	CSD & CIPC Reg. and Directors ID



POR*: Proof of Residence

Businesses are situated in the rural area and are not liable for any Municipal Payment for Services **MUST** submit an **Affidavit (SAPS)**

The tender/ quotation invitation shall stipulate the specific goals and the points that will be awarded to each goal and of that must be submitted to claim for such a goal. **Point System B** (Table Below) will be used where it is **NOT FEASIBLE** to Sub-Contract.

10.2. Specific Goals Point System: B

	Categories	Weight	80 20	90 10	Supporting Documentation
1	Ownership	60%	12	6	
2	Reconstruction & Development Programme	30%	6	3	
3	Other- Municipal Specified Goals	10%	2	1	
		100%	20	10	
#	Specific Goal(s)	Weight	80 20 PP	90 10 PP	
	Ownership Categories :				
1	Broad Based Black Economic Empowerment:				
	BBBEE Level 1	100%	12	6	CSD & BBBEE Certificate
	BBBEE Level 2	80%	10	5	CSD & BBBEE Certificate
	BBBEE Level 3 to 8	40%	6	3	CSD & BBBEE Certificate
2	Promotion of Local Business(s)				
	1. Enterprise Located within the District Municipality - Rural	100%	6	3	CSD & Utilities: POR*: SAPS Affidavit
	2. Enterprise Located within the District Municipality - Urban	67.7%	4	2	CSD & Utilities: POR*: SAPS Affidavit
	2. Enterprise Located within the Province	33.3%	2	1	CSD & Utilities: POR*: SAPS Affidavit
3	Other Specific Goals				
	1. Enterprise 100% owned by Youth/Women/Disabled/ Military V	100%	2	1	CSD & CIPC Reg. and Directors ID

POR*: Proof of Residence (Business)

Businesses are situated in the rural area and are not liable for any Municipal Payment for Services **MUST** submit an **Affidavit (SAPS)**



11 APPLICATION OF GOALS AS PROVIDED FOR BY THIS PREFERENTIAL PROCUREMENT POLICY A

Section 2 (1) of the Act requires that an organ of state to determine its preferential procurement policy and implement it within the following framework:

11.1 the specific goals may include:

- i. contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender or disability.
- ii. implementing the programmes of the Reconstruction and Development Programme as published in *Government Gazette No. 16085 dated 23 November 1994*;

Institutions must at procurement and tender planning stage identify procurement opportunities to advancedesignated groups and apply the goals accordingly.

Where procurement opportunities for designated groups have been identified, the invitation to tender must clearly indicate the specific goals for which a point may be awarded.

11.2 Preference Goal Category 1

Ownership as specific goal

A maximum of 20 points (80/20 preference points system) or 10 (90/10) preference points system), may be allocated. Bidder may score preference points based on company ownership. If an organ of state applies ownership as specific goal, the organ of state must advertise the tender with a specific tendering preferential procurement requirement that in order for a tenderer to claim 10 / 20 points for specific goals, a tendering company must have the following ownership:

- race, (HDP) or
- gender (HDP) or.
- disability (HDP).

Ownership verification may be conducted through the Companies and IntellectualProperty Commission (CIPC).

11.3 Preference Goal Category



11.4 RDP Goals

Over and above the awarding of preference points in favour of HDIs, the following activities may be regarded as a contribution towards achieving the goals of the RDP (published in *Government Gazette* No. 16085 dated 23 November 1994):

- a. The promotion of South African owned enterprises;
- c. The promotion of SMMEs;
- e. The promotion of enterprises located in a specific province for work to be done or services to be rendered in that province;
- f. The promotion of enterprises located in a specific region for work to be done or services to be rendered in that region;
- g. The promotion of enterprises located in a specific municipal area for work to be done or services to be rendered.
- h. The promotion of enterprises located in rural areas;

11.5 Preference Goal Category 3

11.5.1 Empowerment Goals

Organs of state may also combine any specific goals above in a manner that will help them evaluate and apply preference points to tenders.

Empowerment is a practice of sharing information, rewards, and power to empower local contractors in order to build their capacity and to create jobs. To empower and develop SMMEs, Rural and Township Business will help small businesses compete with larger brands through Sub-Contracting and Upliftment.

12 APPLICABILITY OF THE FUNCTIONALITY CRITERIA

12.1 The Ugu District Municipality shall stipulate in the quotation/tender document if the functionality criteria including a sub-criterion where applicable shall be applied during the evaluation process. The functionality criteria must be objective. The tender/ quotation document must specify:

- 12.1.1 **Evaluation criteria for measuring functionality:** The evaluation criteria may include experience for the assignment, the quality of methodology, qualifications of key personnel, transfer of knowledge or any other functionality requirement that would yield the required outcomes.
- 12.1.2 **Points for each criterion:** Points allocated to each criterion should not be generic but should be determined separately for each bid/ quotation on a case-by-case basis.



- 12.1.3 **Points for each sub- criterion:** Points that shall be used when scoring each sub-criterion must be objective and applicable weighting must be stipulated in the bid/ quotation invitation document.
- 12.1.4 The minimum qualifying score for functionality criteria for a quotation/bid must be determined separately for each quotation/bid and must not be so low that it may jeopardise the quality of the required goods or services or so high that it may be unreasonably restrictive.
- 12.1.5 Points scored for the functionality criteria must be rounded off to the nearest two decimal places. The offer that fails to obtain the minimum qualifying score on the functionality criteria shall be considered as not responsive. Each quotation/ bid that obtains the minimum qualifying score for functionality criteria must be evaluated further in terms of price and specific goals.

13 REMEDIES FOR FALSE DECLARATION

- 13.1 If the Ugu District Municipality is of the view that a tenderer submitted false information regarding a specific goal it shall:
- 13.1.1 Inform the tenderer; accordingly, and
- 13.1.2 Give the tenderer an opportunity to make representations within 14 days as to why the tender/ quotation may not be disqualified or if the tender/ quotation has already been awarded to the tenderer, the contract should not be terminated in whole or in part.
- 13.1.3 After considering the representation referred to in paragraph 10.5 (a) (ii) above, the Ugu District Municipality may, if it concludes that such information is false:
- 13.1.4 Disqualify the tenderer or terminate the contract in whole or in part; and
- 13.1.5 If applicable claim damages from the tenderer.

14 CRITERIA FOR BREAKING DEADLOCK IN SCORING

- 14.1 If two or more tenderers score an equal total number of points, the contract must be awarded to the tenderer that scored the highest points for specific goals.
- 14.2 If two or more tenderers score equal total points in all respects, the award must be decided by the drawing of lots.



15 ROLES AND RESPONSIBILITIES

- 15.1 The SCM unit is tasked with the effective and efficient implementation of this policy document, thereby ensuring compliance with and enforcement of the SCM policy.

16 MONITORING AND EVALUATION

- 16.1 This Policy shall be monitored and evaluated by the Policy Committee and regular monitoring reports submitted to the Management Committee Meeting, Portfolio Committee, Executive Committee and Full Council Meetings.

17 COMMENCEMENT OF THE POLICY

- 17.1 This Policy shall come into effect on the date of the adoption by the Ugu District Municipality Council.

17 AMENDMENT AND/OR ABOLITION

- 17.1 This policy may be amended or repealed by the Municipality through a Council Resolution.

18 COMPLIANCE AND ENFORCEMENT

- 18.1 Violation or non-compliance with this policy will give a just cause for disciplinary steps to be taken.

19. POLICY REVIEW

- 19.1 This Policy will be reviewed annually to ensure applicability and relevance.

20. APPEAL PROCESS/ GRIEVANCE PROCEDURE

- 20.1 The policy must also state what will happen if one of the users thereof is not satisfied or there is a violation with the implementation process.



Records of Approval

Meeting	Date	Resolution
Review 2022/2023		
Policy Review Committee		
MANCO		
Portfolio Committee on Finance		
EXCO		
Council	24 January 2023	Approved
Review 2023/2024		
Policy Review Committee	14 February 2024	Recommended to MANCO
MANCO		
Portfolio Committee on Finance		
EXCO		
Council		

REVIEWED

By N.Msomi at 10:18 am, Mar 07, 2024

APPROVED

By N.Msomi at 10:18 am, Mar 07, 2024





UGU DISTRICT MUNICIPALITY

Policy Custodian	BTO
Policy Name	Unauthorised Irregular Fruitless and Wasteful Expenditure Policy
Policy Number	5/25/P/1
Status	Review
Date	2023/24FY
Approved by	Council
Date First Approved	23 June 2022
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Date for Next Review	2024/2025FY

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By N.Msomi at 2:25 pm, Mar 05, 2024



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PREAMBLE

The poor economic conditions prevailing in South Africa has had serious financial pressure on government service delivery mandates. This financial challenge has influenced government to re-assess its current financial position and activities, shifting focus and resources towards key service delivery activities and allocating resources more efficiently on essential services.

Therefore, the need is for the Ugu District Municipality to curb unnecessary expenditure and ensure that resources are allocated and used effectively, efficiently, and economically.

The UIFWE Policy is meant to give effect to the provisions of Section 62 of the Municipal Finance Management Act No. 56 of 2003, in line with Section 62(1)(a), 62(1)(d), and 62(1)(e) of the MFMA, 2003, the object of which is to ensure that resources of a municipality are used effectively, efficiently, and economically by UIFWE measures.

1. INTRODUCTION

1.1 In terms of Section 62 of the Municipal Finance Management Act No. 56 of 2003, the accounting officer is responsible for managing the financial affairs of Ugu District Municipality and he/she must, for this purpose, inter alia.

- a) Take all reasonable steps to ensure that unauthorized, irregular, fruitless and wasteful expenditure and other losses are prevented; and
- b) Ensure that disciplinary or, when appropriate, criminal proceedings are instituted against any official or councilor of Ugu District Municipality who has allegedly committed an act of financial misconduct or an offence in terms of Chapter 15 of the MFMA

1.2 This is to ensure the effective, efficient and transparent systems of financial, risk management and internal control.

2 DEFINITIONS

TERMS	DEFINATION
MFMA	Municipal Finance Management Act, no. 56 of 2003
Municipality	UGU District Municipality
ACCOUNTING OFFICER	The Municipal Manager or Acting Municipal Manager of the municipality
CFO	The Chief Financial Officer or Acting Chief Financial Officer of the municipality
Capital expenditure	Expenditure on items or projects with a life span of more than 12 months (i.e. other than consumables) which affect financial position of the municipality
Operating expenditure	Expenditure on items or projects written off against accumulated surplus or deficit of the municipality during the year which affect statement of financial performance of the municipality



Unauthorized, Irregular, Fruitless and Wasteful Expenditure Policy

Fruitless and wasteful expenditure in terms of MFMA	Expenditure incurred in vain and would have been avoided had a reasonable care been exercised. This expenditure does not add any value to the municipality instead it creates waste or is fruitless
Unauthorized expenditure in terms of MFMA	Expenditure incurred which was not appropriated in an approved budget which include over expenditure within any vote or account. This includes utilization of funds for other purposes other than an intended purpose.
Irregular expenditure in terms of MFMA	It means: • Expenditure incurred in contravention of MFMA, SCM processes, municipal bylaws, practice notes, directive, any prescripts or regulations issued by Treasury or Minister of Finance
Emergency	Incidence whereby the following of SCM processes can cause threat to the human lives. This should not be a justification for poor planning.
VOTE	(a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments functional areas of the municipality; and (b) which specifies, the total amount that is appropriated for the purposes of the department or functional area concerned

3 POLICY OBJECTIVES

This document sets out the Municipality's policy and procedures with regards to unauthorized, irregular, fruitless and wasteful expenditure.

This policy aims to ensure that, amongst other things:

- 3.2 Unauthorized, irregular, fruitless and wasteful expenditure is detected, processed, recorded and reported in a timely manner.
- 3.3 Officials and councilors of the Ugu District Municipality have a clear and comprehensive understanding of the procedures they must follow when addressing unauthorized, irregular, fruitless and wasteful expenditure.
- 3.4 All officials and councilors are aware of their responsibilities in respect of unauthorized, irregular, fruitless and wasteful expenditure.

4 PRESCRIPTIVE/LEGAL FRAMEWORK

Ugu District Municipality's Unauthorized, irregular, fruitless and wasteful expenditure Policy has been developed with recognition of the following prescriptive context – within which it needs to comply:

- a) The Local Government Municipal Finance Management Act, Act No 56 of 2003
- b) Remuneration of Public Office Bearers Act;
- c) Municipal Systems Act, 2000, Act No. 32 of 2000



- d) MFMA Circular 68;
- e) Virement Policy

5 POLICY APPLICATION

This Policy is applicable to all officials and political office bearers, both future and present, of the Ugu District Municipality

6 UNAUTHORIZED EXPENDITURE

Ugu District Municipality may incur expenditure on in terms of an approved budget and within the limits of the amounts appropriated for the different votes in an approved budget.

Expenditure incurred within the ambit of the Municipality's virement policy is not regarded as unauthorized expenditure.

Any expenditure that has not been budgeted for, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, economic entity or organ of state and expenditure in the form of a grant that is not permitted in terms of the MFMA is regarded as unauthorized expenditure.

"Unauthorised expenditure", in relation to a municipality, means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3) MFMA. and includes-

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

7 IRREGULAR EXPENDITURE

Irregular expenditure is an expenditure incurred by a municipality or municipal entity in contravention of Municipal Finance Management Act (Act 56 of 2003), the Municipal Systems Act (Act 32 of 2000), and the Public Office Bearers Act (Act 20 of 1998) or is in contravention of the entity's supply chain management policy.



Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Irregular expenditure includes the following:

- a) Irregular expenditure incurred as a result of institutions procuring goods or services by means other than through competitive bids and where reasons for deviating from inviting competitive bids to have not been recorded and approved by the accounting officer.
- b) Irregular expenditure incurred as a result of non-compliance with a requirement of the Municipality's delegations of authority.
- c) Irregular expenditure incurred due to it being in contravention of the municipality's supply chain management policy.
- d) Expenditure paid out to service providers who are in the service of state.
- e) Irregular expenditure incurred because of non-compliance with a provision contained in any applicable legislation.

8 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and Wasteful Expenditure is any expenditure that is incurred for which no benefit is received by the municipality and would have been avoided had reasonable care been exercised.

Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Fruitless and wasteful expenditure includes the following:

- a) Procuring of goods and services that are not beneficial to the municipality
- b) Costs of goods and services are more than what would have been the case have proper procedures been followed
- c) Renting of property when sufficient and appropriate unoccupied property is owned by the entity
- d) Exuberant costs on parties, entertainment etc.
- e) Incurring penalty and interest costs on late payment of accounts
- f) Mismanagement of funds



9 TREATMENT OF IRREGULAR OR FRUITLESS AND WASTEFUL EXPENDITURE

a) Where irregular or fruitless and wasteful expenditure is identified and discovered, it must be recorded in the appropriate internal registers and must be reported to relevant municipal committees in the next available meeting after the occurrence of the expenditure.

b) The same must be reported to the Mayor, Provincial Cogta and the Auditor-General the particulars of the expenditure; and any steps that have been taken to recover the expenditure; and to prevent a recurrence of the expenditure.

c) Where appropriate, the Accounting Officer must take appropriate steps to recover the amount from the persons concerned.

d) If the amount is irrecoverable, the Council of Ugu District Municipality may write-off debt in terms of Treasury Regulations,

e) The amounts written off in terms of treasury regulations must be disclosed in the Annual Financial Statements of the municipality.

f) The Unauthorized, Irregular, Fruitless and Wasteful expenditure register must be updated accordingly according to the various outcomes of the above processes.

10 RECOVERY OF UNAUTHORISED, IRREGULAR, FRUITLESS OR WASTEFUL EXPENDITURE

All instance of unauthorized, irregular, fruitless or wasteful expenditure must be recovered from liable official or political officer-bearer, unless the expenditure is certified by the municipal council, after investigation by a council committee, as irrecoverable and is written off by the council or unauthorized expenditure has been authorized by council in an adjustment budget. In other word the expenditure that is written off is therefore condoned.

Unauthorized, irregular, fruitless and wasteful expenditure resulting from breach of public Officer-bearers act is an exception in that the unauthorized, irregular, fruitless and wasteful expenditure must be recovered from the political Officer- bearer to who it was paid, who might not have been responsible for making, permitting, or authorizing the unauthorized, irregular, fruitless and wasteful expenditure

Once it has been established who is liable for the irregular expenditure, the accounting officer must in writing request that the official or political Office- bearer pay the amount within 30 days or in reasonable instalments. If the person fails to comply with the request, the matter must be recovered through the normal debt collection process of the entity.

11 PROCESS TO BE FOLLOWED IN CASES OF UNAUTHORISED, IRREGULAR OR FRUITLESS AND WASTEFUL EXPENDITURE

(a) Any unauthorized, irregular, or fruitless and wasteful expenditure as defined above, must be promptly reported to the Chief Financial Officer who will initiate the process of dealing with the unauthorized, irregular, or fruitless and wasteful expenditure

(b) A register will be maintained in Budget and Treasury Office to record all instances of unauthorized, irregular, fruitless and wasteful expenditure. The format of the register will be consistent with Annexure A of MFMA Circular 68 issued on 10 May 2013.



(c) The Register of unauthorized, irregular, or fruitless and wasteful expenditure will form part of the Municipal Manager's management meeting agenda to ensure the reported items are dealt with in a prompt manner.

(d) Upon receiving a report of unauthorized, irregular, or fruitless and wasteful expenditure, the CFO will advise, in writing, the Municipal Manager and the Head of Internal Audit.

(e) The Internal Audit will institute an investigation as contemplated in section 32 of the MFMA, and, determine the following:

- (i) Nature and reason for the unauthorized expenditure, irregular or fruitless and wasteful expenditure;
- (ii) Whether the irregular expenditure result from a minor breach in the procurement policy.
- (iii) Whether the municipality suffered a financial loss.
- (iv) Whether the accounting officer / official / public officer bearer acted deliberately, negligently, or grossly negligently.
- (v) Whether the accounting officer can condone the non-compliance with the SCM policy as a minor breach.

(f) The findings of the Internal Audit will be submitted to the Municipal Manager for consideration of the following:

- (i) Introduction of an adjustments budget to authorize the un-authorized expenditure (if unforeseen and unavoidable and the process outlined in paragraph 3 of this policy could not be followed)
- (ii) Recommendation to recover funds
- (iii) Recommendation to write the funds off as irrecoverable
- (iv) Disciplinary / Criminal action to be instituted.

(g) If the unauthorized expenditure is not authorized by Council, the funds must be recovered from the liable official or political officer bearer (within 30 days or in reasonable instalments).

(h) All instances of unauthorized, irregular, fruitless and wasteful expenditure must be disclosed in the annual report.

12 REPORTING

12.1 The Accounting Officer must comply with the following reporting requirements:

12.1.1 Immediately upon discovery of unauthorized, irregular, or fruitless, and wasteful expenditure, the Accounting Officer must report the details of the unauthorized, irregular or fruitless, and wasteful expenditure to the mayor.

The report must include the following details:

- (a) **VAT exclusive** amount of the Unauthorized, irregular, or fruitless and wasteful expenditure.



Unauthorized, Irregular, Fruitless and Wasteful Expenditure Policy

(b) name of the vote from which the expenditure was made; (c) reason why the unauthorized, irregular, or fruitless and wasteful expenditure could not be avoided.

(d) name and title of the responsible official.

(e) details of any recovery steps taken or to be taken by the municipality.

(f) details of any disciplinary steps taken or to be taken by the municipality,

12.1.2 The Accounting Officer must also include the expenditure in the department's monthly revenue and expenditure report submitted to the Council in terms of the MFMA.

12.1.3 All unauthorized, irregular, or fruitless and wasteful expenditure must be reported as a note to the annual financial statements.

13. MONITORING AND EVALUATION

13.1 This Policy shall be monitored and evaluated by the CFO and regular monitoring reports submitted to the Management Committee Meeting, Finance Portfolio Committee, Executive Committee and Full Council Meetings.

14. COMMENCEMENT OF THE POLICY

14.1 This Policy shall come into effect on the date of the adoption by the Ugu District Municipality Council.

15. AMENDMENT AND/OR ABOLITION

15.1 This policy may be amended or repealed by the Municipality through a Council Resolution.

16. COMPLIANCE AND ENFORCEMENT

16.1 Violation or non-compliance with this policy will give a just cause for disciplinary steps to be taken.

17. POLICY REVIEW

17.1 This Policy will be reviewed annually to ensure applicability and relevance.



Records of Approval

Meeting	Date	Resolution
Review 2021/2022		
Policy Review Committee	20 January 2022	Recommended to MANCO
MANCO	24 January 2022	Recommended to Portfolio Committee on Finance
Portfolio Committee on Finance	03 February 2022	Recommended to EXCO
EXCO	06 March 2022	Recommended to Council
Council	26 May 2022	Approved
Review 2022/2023		
Policy Review Committee	10 February 2023	Recommended to MANCO
MANCO	24 April 2023	Recommended to Portfolio Committee on Finance
Portfolio Committee on Finance	16 May 2023	Recommended to EXCO
EXCO	17 May 2023	Recommended to Council
Council	25 May 2023	Approved
Review 2023/2024		
Policy Review Committee	14 February 2024	Recommended to MANCO
MANCO		
Portfolio Committee on Finance		
EXCO		
Council		

REVIEWED

By N.Msomi at 2:25 pm, Mar 05, 2024

APPROVED

By N.Msomi at 12:45 pm, Mar 06, 2024







UGU DISTRICT MUNICIPALITY

Policy Custodian	Budget Treasury Office (BTO)
Policy Name	Virement Policy
Policy Number	5/26/P
Status (New/Review)	REVIEW
Date (Financial Year)	2023/24FY
Approved by	Council
Date First Approved	28 June 2018
Date Last Approved	25 May 2023
Date for Next Review	2024/25 FY

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PREAMBLE

This Policy will serve as a guideline for the effective management of the Municipal virement processes, in order to attain the strategic objectives of the Municipality within the ambits of the applicable legislation and shall apply to all departments within the Municipality.

1. INTRODUCTION

Council has considered the guidelines distributed by National Treasury to local government which detail the processes and formats to be followed when preparing the virement policy. The Municipality shall comply with the provisions of this Policy in the processing of its the virements. This Policy provides the framework for dealing with Ugu District Municipality's virements. Key Principles further elaborated within this Policy are summarized as follows:

2. DEFINITIONS

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

- 2.1. **"Accounting Officer"** means the Municipal Manger of Ugu District Municipality,
- 2.2. **"Chief Financial Officer"** means the Chief Financial Officer of Ugu District Municipality,
- 2.3. **"Financial year"** means a twelve months period commencing on 1 July and ending on 30 June each year,
- 2.4. **"Identified Savings"**, the original budget less all the expenditure incurred and committed orders on that account.
- 2.5. **"Virement"**, means "a regulated transfer or re-allocation of money from one line item account to another, within the same vote especially public funds."
- 2.6. **"Vote"** means
 - 2.6.1. one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and
 - 2.6.2. which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.



3. POLICY OBJECTIVES

- 3.1.** To introduce a Framework by which departmental budgets can be managed by Heads of Departments to ensure effective financial management. A virement represents a flexible mechanism to effect budgetary amendments within a municipal financial year.

4. PRESCRIPTIVE/LEGAL FRAMEWORK

- 4.1.** Ugu District Municipality's Virement Policy has been developed with recognition of the macro and micro prescriptive context – within which it needs to comply, and policy imperatives of national and provincial government; as indicated, but not limited to, below:
- 4.1.1. Ugu District Municipality's Supply Chain Management Policy and Procedures,
 - 4.1.2. Ugu District Municipality's Integrated Development Plan,
 - 4.1.3. The Local Government Municipal Systems Act, Act No 32 of 2000,
 - 4.1.4. The Local Government Municipal Finance Management Act, Act No 56 of 2003,
 - 4.1.5. The Municipal Budget and Reporting Regulations published in terms of Section 168 of the MFMA, and
 - 4.1.6. All relevant budget related Circulars and notices issued by the National Treasury.

5. POLICY APPLICATION

- 5.1.** This Policy is applicable to staff, the political office bearers and the communities, both future and present, of the Ugu District Municipality.

6. POLICY PRINCIPLES

6.1. KEY PRINCIPLES AND GUIDELINES PERTAINING TO THE VIREMENT POLICY

- 6.1.1. Section 215 (1) of the Constitution of the Republic of South Africa states that National, provincial and municipal budgets and budgetary processes must promote transparency, accountability and the effective financial management of the economy, debt and the public sector.
- 6.1.2. Section 26(h) of the Municipal Systems Act (Act 32 of 2000) requires a municipality's Integrated Development Plan to reflect a financial plan, which must include a budget projection for at least the next three years (Medium Term Expenditure Framework);
- 6.1.3. The Minister with the concurrence of the Minister for Provincial and Local Government, has in terms of S168 of the Municipal Finance Management Act issued the Municipal Budget and Reporting Regulations which aim to secure sound and sustainable management of the budgeting and the reporting practices of the municipalities by establishing uniform norms and standards and other requirements for ensuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting processes; therefore, the Council of Ugu District Municipality adopts the Budget Policy as set out in this document.

6.2. DETERMINATION OF VOTE

- 6.2.1. Chief Financial Officer shall determine the number and type of votes to be used and line items to be shown under each vote. In so doing, the Chief Financial Officer shall consider and properly reflect the organisational structure and shall comply with the prescribed budget format of National Treasury. The operating expenditure shall be classified as per the Government Financial Statistics classifications used in the prescribed National Treasury format.



6.3. AUTHORISATION OF VIREMENTS

- 6.3.1. A transfer of funds from one line item to another under this Policy may, subject to the provisions of this Policy, be authorized as follows:
- 6.3.2. If the amount does not exceed R1 000 000.00 the transfer may be authorized by the Chief Financial Officer of the Municipality or the Accounting Officer of the Municipality after consultation with the Chief Financial Officer;
- 6.3.3. If the amount exceeds R1 000 000.00 but does not exceed R5 000 000.00 the transfer may be authorized by the Accounting Officer after consultation with the Chief Financial Officer;
- 6.3.4. The Mayor may authorize expenses in an emergency, or other exceptional circumstances and the adjustment budget must be adopted during the adjustment period after the expenses were incurred.
- 6.3.5. Notwithstanding the provisions of above, a transfer of funds between cost or functional centers within a particular Vote/Department may not be authorized by the Chief Financial Officer but may only be authorized by the Accounting Officer, if the amount does not exceed the amount of R5 000 000.00

6.4. RESTRICTIONS ON AMOUNT OF VIREMENTS

- 6.4.1. Notwithstanding the provisions of section 5:
 - 6.4.1.1. The total amount transferred from and to line items within a particular vote in any financial year may not exceed 40% of the amount allocated to that vote;
 - 6.4.1.2. The total amount transferred from and to line items in the entire budget in any financial year may not exceed 25 % of the total operating budget for that year;
- 6.4.2. A transfer which exceeds, or which would result in the exceeding of any of the limits referred to in 6.1 above may, however, be performed if the Council by resolution approves thereof.
- 6.4.3. No transfer of funds shall be made if such transfer would constitute a transgression or contravention of any statute, regulation or other law, any policy, directive or guideline binding upon the Municipality, or the avoidance by the Municipality of any obligation imposed upon it by contract or any other cause.

6.5. MANAGEABLE GROUPS OF REVENUE

- 6.5.1. All manageable revenue which is budgeted for under a department is the responsibility of each Head of Department to ensure that it is collected.
- 6.5.2. Must report to the Chief Financial Officer and budget office any deviations that they become aware of which might affect the budgeted estimates.
- 6.5.3. Head of Department's are responsible for all grants and donations which are budgeted for under their departments. They must report any deviations to the Chief Financial Officer or the budget office in writing. They must seek reasons for deviations from the responsible donor or the transferring sector departments.
- 6.5.4. If Head of Department's become aware that budgeted revenue will not materialize or will not be collected, they must inform the Chief Financial Officer or the Budget Office to ensure that revenue will be adjusted downwards in the Adjustments Budget.

6.6. NON-MANAGEABLE GROUPS OF REVENUE AND EXPENDITURE

- 6.6.1. No funds Transfers can be made on these groups –
 - 6.6.1.1. Depreciation,
 - 6.6.1.2. Finance Charges,



VIREMENT POLICY

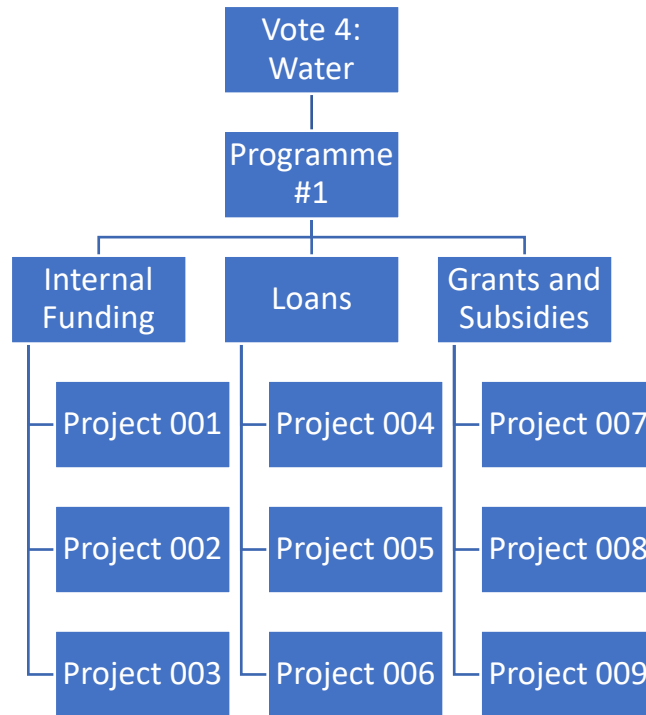
- 6.6.1.3. Departmental Charges,
- 6.6.1.4. Investment Income, and
- 6.6.1.5. Employee Related Costs

6.7. OPERATING BUDGET VIREMENTS

- 6.7.1. Operating budget virements can only be done on General Expenses, Contracted Services and Repairs and Maintenance items. Funds transfer can take place within these groups provided the total approved budget allocation per vote is not exceeded. In order for an account to transfer funds from one item to another, there must be identified savings within the limitations of the approved budget for that group. These must be clearly stated in the formal funding requests submitted to the Chief Financial Officer and the Budget Office. Funds may not be transferred to new line items of the operating budget.
- 6.7.2. All requests for the transfer of funds must be in writing using the prescribed request forms in Annexure and must be properly authorized by the Manager and Head of Department responsible for that vote and the Chief Financial Officer as per the set limits.
- 6.7.3. The prescribed request form shall include, but not limited to, provisions for the following:
 - 6.7.3.1. The name of the department concerned,
 - 6.7.3.2. Descriptions of the line items from and to which the transfer is to be made,
 - 6.7.3.3. The amount of the proposed transfer,
 - 6.7.3.4. The cause of the saving in the line item from which the transfer is to be made,
 - 6.7.3.5. The justification for the transfer,
 - 6.7.3.6. A description of any consequences that such transfer may have for the Integrated Development Plan or the Service Delivery and Budget Implementation Plan.
- 6.7.4. Each Head of Department is responsible for his/her own operational budget and must ensure that all expenditure is contained to the approved allocations by Council.
- 6.7.5. Movement of funds from different sectors and categories will be attended to in the normal Adjustments Budget process annually in February.



6.8. CAPITAL BUDGET VIREMENTS



6.8.1. Virements on the Capital budget allocations can be done from one project to another within the same vote and source of funding, i.e. from Water, CRR to Water CRR. Virements cannot be done to a new project which was not part of the approved capital budget. Any other transfer of funds or requests for new allocations must be done through an adjustments budget and approved by Council.

6.8.1.1. Virements can be done on conditional grant funded projects; provided that there is a written agreement by the said funder.

6.8.1.2. All requests must be in writing on the prescribed form in **Appendix A** and must be properly authorized by the responsible Manager, General Manager and the Chief Financial Officer.

7. MONITORING AND EVALUATION

7.1. This Policy shall be monitored and evaluated by the General Manager: Budget and Treasury Office, and regular monitoring reports submitted to the Management Committee Meeting, Finance Portfolio Committee, Executive Committee and Full Council Meetings.

8. COMMENCEMENT OF THE POLICY

8.1. This Policy shall come into effect on the date of the adoption by the Ugu District Municipality Council.

9. AMENDMENT AND/OR ABOLITION

9.1. This policy may be amended or repealed by the Municipality through a Council Resolution.



10. COMPLIANCE AND ENFORCEMENT

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

11. POLICY REVIEW

- 11.1.** This Policy will be reviewed once annually during the Annual Budget Process.



Records of Approval

Meeting	Date	Resolution
Review 2021/22		
Policy Committee	24 March 2021	Recommended to MANCO
Extended MANCO/MANCO	03 May 2021	Recommendation to Portfolio Committee on Finance
Portfolio Committee on Finance	06 May 2021	Recommendation to EXCO
EXCO	19 May 2021	Recommendation to Council
Council	27 May 2021	Recommendation to Approve the policy

Meeting	Date	Resolution
Review 2022/23		
Policy Committee	24 March 2023	Recommendation to MANCO
Extended MANCO/MANCO	08 May 2023	Recommendation to Portfolio Committee on Finance
Portfolio Committee on Finance	16 May 2023	Recommendation to EXCO
EXCO	17 May 2023	Recommendation to Council
Council	25 May 2023	Recommendation to Approve the policy

Meeting	Date	Resolution
Review 2023/24		
Policy Committee	14 February 2024	Recommendation to MANCO
Extended MANCO/MANCO		Recommendation to Portfolio Committee on Finance
Portfolio Committee on Finance		Recommendation to EXCO
EXCO		Recommendation to Council
Council		Recommendation to Approve the policy

REVIEWED*By N.Msomi at 10:25 am, Mar 07, 2024***APPROVED***By N.Msomi at 10:25 am, Mar 07, 2024*

VIREMENT POLICY

ANNEXURE A			
APPLICATION FOR VIREMENT OF FUNDS			
DATE:			
FROM: SDBIP		TO: SDBIP	
VOTE CODE		VOTE CODE	
BUDGET ALLOCATION		BUDGET ALLOCATION	
ACTUAL EXPENDITURE		ACTUAL EXPENDITURE	
COMMITMENTS		COMMITMENTS	
AVAILABLE BUDGET		AVAILABLE BUDGET	
VIREMENT AMOUNT		VIREMENT AMOUNT	

Requesting Manager			Recommended/Approved by:		
Manager:	Name	Signature	General Manager:	Name	Signature
			Approval for virements not exceeding R1 000 0000		

Verified by:			Recommended/Approved by:		
Manager: Budget	Name	Signature	General Manager: BTO	Name	Signature

Approved by:			Processed By		
Municipal Manager	Name	Signature		Name	Signature
For virements exceeding R1 000 000 but not exceeding R5 000 0000					