



uMGUNGUNDOVU
U M A S I P A L A W E S I F U N D A
D I S T R I C T M U N I C I P A L I T Y
D I S T R I K M U N I S I P A L I T E I T

ANNUAL BUDGET 2024/2025

May 2024

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PART 1 – DRAFT ANNUAL DRAFT BUDGET

1.1 Mayor's Report

Madam Speaker, Cllr N. Gabela,
The Council Whip Cllr. S. Majozi;
Deputy Mayor Cllr. S. Dlamini Mabaso;
Members of the Executive Committee;
Chairperson of MPAC Cllr E. Dladla;
The Local House of Traditional Leaders;
Fellow Councillors;
Chairperson of the Audit Committee;
Acting Municipal Manager and Management Team;
Distinguished Guests;
Members of the media;
Ladies and Gentlemen;

GREETINGS TO YOU ALL!!

Madam Speaker, it is an honour and privilege for me this morning to present to this honourable Council of uMgungundlovu District Municipality, the Draft 2024/25 financial year Budget and Integrated Development Plan. Municipal Councils and the Mayor specifically, are the custodians of public money, and legislation places a huge responsibility on our shoulders to accrue and expend public money.

The MFMA S52, inter alia, states: The Mayor of a Municipality:

- a) MUST provide general political guidance over the fiscal and financial affairs of the municipality – no choices, MUST
- b) In providing such general political guidance, may monitor and, to the extent provided in this Act, OVERSEE the exercise of responsibilities assigned to the Accounting Officer, but MAY NOT interfere in the exercise of those responsibilities.
- c) MUST take all reasonable steps to ensure that the Municipality performs its constitutional and statutory functions within the limits of the Municipality's approved budget.

Over the years many mechanisms have been put in place to ensure compliance, checks and balances to monitor and evaluate how Councils expend the public finances. Ethical business processes are the cornerstone of a corruption free government.

The revenue framework for the 2024/25 financial year is estimated at R1.693 billion and projected to increase to R1.8479 billion over the MTREF period ending 2026/2027.

The expenditure framework is proposed at R1.570 billion for the 2024/25 financial year where a significant portion of the budget relates to allocations for the enhancement and delivery of basic services.

Of the expenditure framework, R 1.386 billion relates to operating expenditure and R 184 million relates to capital expenditure. The expenditure framework is anticipated to increase to R1.681 billion in the medium-term ending 2026/27 with basic service delivery at the forefront, demonstrating the municipality's commitment to improve the lives of communities within the District.

Local Government is a legally regulated environment but most importantly, it derives its mandate from the Constitution itself hence one would like to remind fellow Councillors and Senior Management of our Municipality about the legislative framework which should guide our planning and budgeting priorities throughout our term of Office. Section 152 of the Constitution, states that the objectives of local government are:

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 organisations in the matters of local government. The above is important as these have to reflect in the IDP, which in turn informs the Budget and translates into the high-level Service Delivery and Budget Implementation Plan (SDBIP).

Madam Speaker, a good education and development through skills training is a foundation for a better future. The UMDM corporate services department allocation for the 2024/25 financial year is 6% (R97.1 million) of the total municipal budget where a portion of such allocation is for purposes of providing education, skills development and training programmes to learners and unemployed youth throughout the district. One of the primary focus areas of the department is on improved education outcomes and providing learning and skill opportunities to develop the child and disadvantaged youth holistically. In committing to youth empowerment through skills, the Municipality further appointed a panel of service providers that will render the service of locating funds mainly to deal with youth training and development through various sectors. The budget also provides for the upgrade of ICT infrastructure and acquisition of IT equipment such as hardware and will also upgrade servers and data lines to ensure that the Municipality is functioning at full capacity at all times, more so with the load shedding causing major disruptions in our information communication technology and the functioning of our call centres and customer centres respectively.

The Corporate Services department is also finalizing the Municipality's new Workplace Skills Plan. As for targeted Local Municipalities, we always strive to equally rotate training programmes and or internships. The only time when we are specific to a certain Council is when we have an external funder who specifically requests that the funding be allocated to that specific said Council.

With specific reference to learnerships, the Municipality would channel the funds according to the specific focus area in that Municipality e.g., construction / bricklaying, The resources would be channeled towards municipal areas with current construction projects in order to expose Learners with practical training that will offer exposure through on-the-job training.

Planned **Training and Skills Development** for 2024/25:

- Disaster Management
- Fire Fighting Course
- Plumbing including trade test
- Supply Chain Management
- Project Management
- Risk Management
- Administration
- Information System
- Municipal Governance and Administration

- Municipal Planning and Budget
- OTDP”

The Vision of the district Council; through this department is to see by 2030 UMDM being an economically inclusive metropolis with improved human capital condition for private sector development, through expanded access to infrastructure and digital economy for increased agricultural productivity and commercialization with mutual rural-urban linkages for sustainable development. A classic example in this case would be the development of a SMART CITY at Mkhambathini.

SMMEs/ Cooperatives Support

Sustainable Development Goals amongst others, demand that we promote sustained, inclusive, and sustainable economic growth, full productive employment, and decent work for all. Through the Local Economic Development, our strategic objective is the improvement of integrated economic development initiatives through access to funding and finance for an inclusive socio-economic development.

In leading this objective, the district Council have put aside five million rand to support Small Medum Micro-Economic Enterprises, Cooperatives, and those in the informal sector.

The district is putting its money where its heart is and that is with the local entrepreneurs who not only ensure that the poorest of the poor have access to necessities, but who bear transport costs especially for those in the most rural and in the periphery.

The cost of getting tuckshop stock from the central retailers is more expensive for a spaza shop operator in Impendle and Nhlazuka in Richmond, causing a barrier to access necessities. As a result, the District Council will be supporting more than 50 local Tuckshop/Spaza Shop Operators, more than 50 Street Vendors, more than 50 local poultry, crop and livestock farmers and those in the services such as Baking, Landscaping and catering across the family of seven local municipalities of uMgungundlovu.

The district Council calls upon sector departments to match this commitment by the district to push back the frontiers of poverty, unemployment, and inequality. We also extend the call to the private sector to partner with the district in supporting SMMEs/Cooperative and the informal sector by opening supply chain opportunities for district SMMMEs.

LED & Tourism Strategy

To align our strategies with the ever-evolving global economy, Council made available funds for the review of the district LED and Tourism strategies. This is to ensure that we align our strategies to make for sustained, inclusive, and sustainable work for our people. Jobless growth does not serve our economic purpose; hence the district is looking at playing an active role in localization of opportunities created by amongst others the BRICS Block of countries and our national and provincial economic growth master plans across sectors.

Our aim is the localization and transformation of tourism, its product and its broader participants to reflect the demography of the district. The focus around existing sites with international, national, provincial and local significance should be the priority to unlock work opportunities in this sector such as tour guides, site operators and venue owners. To achieve this goal the department is developing the Integrated Development, Management and Operational Master Plan for district heritage sites.

District-wide Spaza Shop Audit and Inspection

In response to a national call for audit and inspection of Spaza Shop, uMgungundlovu working with sister local municipalities have carried out an audit and inspection of all district Spaza Shops. The purpose of the District Spaza Shop Audit and Inspection is to achieve amongst others:

- Production of District-wide Foreign Owned Spaza Shop Register
- Production of District-wide Locally Owned Spaza Shop Register
- District Spaza Shops Suppliers Register (so we can trace the source of counterfeit goods, fake foods, and the expired goods value chain to catch the big fishes)
- Model District-wide Bulk-buying Hub for District Spaza Shops (to ensure local control of the foods content and especially locally produced foods)
- District-wide Inspection Drive during the month of November 2023 with Principals.
- Coordination of support for locally owned Spaza Shops.

Through this initiative the district LED have produced a tentative District-wide Spaza Shop Register and will be continuously consolidating it.. We have also seen a number of foreign owned shops being closed as a result of being illegal and serving them with environmental health compliance notices. We should appreciate the assistance of the Home Affairs, EDTEA and Community Safety Departments in these operations and request more intensive planning and cooperation moving forward.

Social Services: Special Programmes

Special programmes specifically focus on vulnerable groups in the community such as women, senior citizens, disabled people and youth through Sports, Arts and Culture; Youth development; HIV and AIDS and Social Development. These are essential programmes as they provide a critical but often overlooked component of service delivery which is focused on the development and empowerment of communities through social programmes

The core mandate of the Special programme unit is the coordination and mainstreaming of programmes within UMDMs family of municipalities, Sector Departments and Private sector through partnerships where possible. Programmes that will be implemented in the new financial year including the preparation of district teams and participation in the KZN SALGA games. UMDM will continue to undertake preparation of sporting codes and ensure the participation of district sporting teams in the Provincial Salga games. These games are critical in affording teams and individuals exposure and an opportunity to grow and gauge their sporting performance level against other participants in the province. In 2023/2024 financial year, UMDM supported 10 sporting codes consisting of a total of 269 participants from around the district with playing kits, promotional outfits, transport and accommodation during these games. This is a sizeable number and we do hope that we can increase this number and have more sporting codes participating in the games. It is our intention to ensure that the SALGA games are not just an event but a sports development tool for our district. This entails having more programmes that will give support to sports development early in the year so that by the time they participate in the SALGA games, they have had an ample opportunity to develop in their different sporting codes.

Youth Support Programmes: Capacitation of young people from the district as a means of enabling them to participate actively and meaningfully in society is one of the critical goals of the unit. The Youth Unit will continue to organise various youth focused workshops that will empower and support their development. Furthermore, it is envisaged that we will build on from the programmes implemented in the past year where youth support goes beyond workshops but offering material support to different areas linked to youth development.

These areas included supporting emerging youth businesses, educational support through bursaries and other.

Teenage learner pregnancy and substance abuse is a major challenge that affects young people and negatively impacts on their future. The district launched a multisectoral Drug Action Committee purposed at working together and ensuring coordination of work aimed at dealing with the scourge of drug and substance abuse. Furthermore, programmes aimed at addressing teenage learner pregnancy were also rolled out in partnership with Civil Society Organisations and other government departments in various schools of the district during in the 2023/2024 financial year. Programmes focused on drugs and substance abuse as well as reduction in learner teenage pregnancy will continue to be implemented throughout the district in line with the National Drug Master Plan and the outcomes of the documented Learner teenage pregnancy Commissions. This is a multisectoral programme and therefore UMDM will continue to work hand in hand with government departments and civil society in their implementation. UMDM has already committed itself to working with civil society in looking at the issue of assisting homeless people in starting and receiving treatment for communicable diseases such as TB, in a supported shelter environment.

Umkhosi Womhlanga remains an important programme that encourages self-preservation in young women particularly at the time where teenage pregnancy is very high. It is one of the critical strategies for HIV prevention which is greatly supported. In support of this cultural practice, UMDM will continue to ensure provision of transport for maidens from all around the district (7 buses) to enable greater attendance of district maidens in this programme. Furthermore, support of cultural ambassadors who are responsible for maidens in the form of empowerment workshops will be implemented.

Programmes for the vulnerable groups in our society will also continue to be implemented. These programmes include the Golden games for Senior Citizens in line with the Older Persons Act's (Act No. 13 of 2006). In partnership with the Department of Sport, Arts and Culture, Department of Health, Department of Social Services Development, Local Municipalities and Age-in-Action, UMDM will continue to host the District Golden games. Apart from hosting the District games, UMDM will continue to support participation of district senior citizens in the games at all levels i.e. local, provincial and national.

Furthermore, the district will have a **Centenarian Programme** in recognition of Senior citizens who have attained 100 years or more of life.

The same kind of activities and support will continue to be undertaken for Disability games. UMDM will actively ensure support of the disabled community through sport (games), support to the District disability Forum, empowerment workshop for disabled business owners and ensuring participation of district persons with disability in the Disability Parliament and International day for people with disabilities.

Once we have Gender Coordinator, we will be able to implement more programmes aimed at vulnerable groups such as women and children.

Arts and Culture plays a critical role in the advancement of social cohesion and moral regeneration. In the 2023/2024 financial year, UMDM partnered with Impi Enhle Yamaciko, Department of Sports Arts and Culture and Impendle local municipality to host District Arts Awards where various art genres were awarded and encouraged in their work (izinkondlo, indlamu, ingoma, gospel) etc. It is therefore critical that the District builds on this initiative and continue to support these awards as well as ensuring that art is supported as an economic and career opportunity for its citizens.

The **Men's Health Project** will be launched being an intervention made to ensure that men can access treatment (health services) at service points nearest to where they stay and in a dedicated space where they will feel comfortable. This approach further promotes interventions that are critical to ensure service provision whilst also helping with facility decongestion. In 2023/2024, UMDM launched a Men's health project in Mpofana (Bruntville clinic), Mayizekanye (Estezi) in partnership with DOH and Civil Society Organizations, under the DAC. This project will continue to be implemented throughout the district and resources permitting, to as many health facilities as would be possible. It is our intention to support men's health and to encourage early health seeking behavior in men.

Work with **NGO's, FBOs, and Traditional authority** in programmes geared towards moral regeneration is critical for social development in our district.

Civil society plays a major role in providing social programmes that augment the work of government and the district in as far as social programmes are concerned. It is therefore the district's intention to give tangible support to our civil society partners, which will assist them in delivering the much needed programmes to communities. UMDM as coordinator and contributor, will continue work with these partners aimed at moral regeneration, reduction of Gender Based violence, Men's dialogue and promotion of cultural heritage.

Environmental Health

UMDM is mandated by the National Health Act, 61 of 2003 to provide Municipal health Services aimed at ensuring that factors in the environment that could adversely affect human health are assessed, corrected, prevented, and controlled whilst creating a health supportive environment and safeguarding the health of the district citizens.

The unit will continue to:

- Conduct regular audits of various premises in fulfilment of the above;
- Monitor food safety by taking and analysing food and dairy samples;
- Prevention of pollution through monitoring of pollution prone sources;
- Conduct awareness programmes on various environmental health issues (e.g. food safety); waste management, communicable diseases; and air quality management.

Three strategic regulatory documents for this unit are currently under review, namely Air Quality Management Bylaws, Environmental Health bylaws and Air Quality Management Plan. The promulgation of the amended bylaws will strengthen the regulatory and enforcement activities of the unit therefore protecting the health and environment of the public. The Air Quality Management Plan is intended to provide a dynamic and robust management approach towards improving air quality in the district. It also intends to address issues of air pollution by setting short-, medium- and long-term goals to the effect that will continuously improve air quality and ensure that air is not harmful to communities.

Solid Waste Management

An Integrated Waste Management Plan (IWMP) will be adopted in the 2024/2025 financial year for endorsement by EDTEA. Once endorsed by EDTEA, the IWMP will be a legally compliant plan that must be implemented with annual reports on implementation performance along with annual revisions being made to the plan to address the challenges and opportunities that occur annually.

The IWMP has three strategic goals which is to:

- Ensure diversion of as much waste as possible from the landfill site (through, recycling, composting, recovery and other means);
- To ensure provision of effective and sustainable waste services in local municipalities that will promote cleaner environments; and
- Promote behavior change in society through education, awareness, incentives and enforcement.

Once the IWMP is adopted and endorsed, the unit will respond accordingly with programmes that will see the attainment of the above goals.

Cemeteries and Crematoria

Issues of limited burial space, inaccurate data on deaths, burial and poor record keeping had promoted the unit to respond by the development of a District Master plan for Cemeteries and an acquisition of a Cemetery App.

The three phased Masterplan intends to describe the current situation facing the UMDM relating to burials, cremations, cemeteries and crematoria; investigate the different options and alternatives the UMDM has using scenario planning methodology and evaluate the different options whilst developing a credible, achievable, and sustainable masterplan for cemeteries and crematoria for the next 30 years. The full Masterplan which will be completed at the end of this current financial year will inform and influence cemetery and crematoria related programmes moving forward.

UMDM has acquired and will be funding a Cemetery App over a three-year period. The App will be set up and operated in municipal cemetery management and administration using digital technology, thus streamlining the provision of cemetery and crematoria services to the public. The main focus of UMDM was to get the app functioning as this would provide automated data reports on the number of burials and cremations taking place across UMDM, which is critical for planning, developing new cemeteries and improving administrative processes. The App is envisioned to also enable LMs and other stakeholders to monitor burial and cremation trends and changes and allow for accurate estimation of the future land needed for cemeteries and demand for cremation services.

Fire Services

Fire services will endeavor to embark on a drive to pursue the avenues in so far as construction of the fire stations at the following Municipalities, iMpindle, Mpofana and Mkhambathini.

iMpindle as an example, is currently utilizing park homes as a fire station. It is operational but there is a requirement for great improvements.

Mpofana is renting a private property and uses it as a fire station which is fully operational regardless of the challenges. Mkhambathini also does not have a fire station, the closest fire station is housed at Ashburton, which is Msunduzi Municipality's property which is also operational.

Every fire station that we service as a District Municipality must have the critical tool, jaws of life, We are happy that the stations do have these sets but because of the mechanical nature of this equipment, it is therefore imperative that each station has a spare set of new jaws of life. This is planned for the coming financial year. The general toolboxes for each station will also be procured for the general maintenance of the tools that are used by firefighters.

We continue to appreciate the assistance of our partnership with SANTAM and are currently have discussions on the new financial year plans. We currently have 31 new fire fighters being trained sponsored by SANTAM.

There has also been a positive response from SANTAM wherein we have requested lightning conductors to be installed in the latter part of the new year that will assist those areas that are prone to lightning strikes. The exercise of mapping these areas is currently underway in preparation thereof. We also have awareness campaigns scheduled for the new year as well as training programs.

Disaster Management

Disaster management aims to reduce the impact of disasters. Rescue assistance, medical support and food supply are vital for saving lives which prevent further harm. To this end the uMgungundlovu District Disaster Management Centre has proposed an allocation of R1 955 000,00 for disaster emergency relief materials.

Rather than waiting to respond, disaster management should have both pro-active and re-active measures. Proactive measures can include a range of activities such as hazard, exposure and sensitivity reduction strategies, impact reduction strategies, and capacity building for resilience. To support the roll out of public education and awareness campaigns, the District Disaster Management Centre has proposed a budget of R160 000,00.

Municipalities must establish their level of capacity to deal with disaster risk reduction, response and recovery. Where it is necessary to strengthen this capacity, they must enter into mutual assistance agreements with their neighbours, the private sector, other organs of state and communities. The uMgungundlovu District Municipality will enter into partnership agreements with the social partners such as the South African Weather Services, Red Cross etc. A community at the bank of river is exposed to flooding but their sensitivity will be low if the embankment is reinforced. A house with a lightning rod is less sensitive to being struck by lightning during a thunderstorm. A house away from the river bank may still be sensitive to flooding but its low exposure makes it less vulnerable to flood. A significant amount has been proposed for the installation of lightning conductors.

We have proposed R4 million towards the upgrade of the UMDM call centre. This aims to improve the reporting of service faults, disasters and dealing with customer queries more speedily and efficiently.

Furthermore, the Disaster Management Centre is in advance stages towards some pre-construction activities of the disaster management centre and the appointment of professional consultants such as structural and civil engineers, quantity surveyors, Environmental Impact Assessment Practitioner, Electrical Engineer and Mechanical Engineer.

Reducing our vulnerability to natural disasters is the best way to implement sustainable development strategies. We must ensure that natural hazards, which are inevitable, do not necessarily turn into major economic and social disasters.

Regarding the provision of **water and sanitation** services Madam Speaker, we are making very good progress, as per the following projects:

Construction of reticulation with house connections and metered yard tap for 5200 households with ward 10 of uMshwathi - Lindokuhle/ Empolweni Water Supply at R30,244,803.

Planning of Phase 3, Mainly on upgrading Bulk mains pipeline to ensure adequate supply to all zones within Swayimane area this is to cover ward 6, 8, 11 and 13. Mbava and Mpethu Water at R4,333,913.

Installation of Rudimentary Borehole Schemes to all Local Municipalities within the District. Drought Relief Programme of Boreholes at R11,024,474.

Completion of Bulk main and connection to the Borehole pump station to serve 40 household within Ward 4 of Mpofana with House connection with metered yard tap at Kwamathwanya Reticulation scheme at R 4,379,246.

Mpofana Bulk Connection to Mpofana Village to provide bulk water to Bruntville and Mpofana town within ward 2 & ward 3 of Mpofana LM. Project is Mpofana Bulk at Mpofana Village, Mooi River AC pipe replacements, and infrastructure for housing project at R9,440,933.

Extension of reticulation with metered housed connections for 984 households within Ward 9 of uMshwathi LM. Trustfeed Phase 1 at R13,369,358.

Construction of secondary bulk mains and reticulation with house connections and metered yard taps for all households within ward 3 of uMshwathi. Nadi Reticulation phase1; commissioning of Greater Efaye Scheme, Efaye/ KwaZibusele Reticulation, Mt Elias/Efaye Reticulation at R42,674,923.

Commissioning of Greater Efaye Scheme Extension at R5,217,391.

Construction of reticulation with house connections and metered yard tap for 972 households within Lion Park area within Ward 3 of Mkhambathini LM, Nkanyezini, eNguga, eNtshayabantu at R30,646,438.

Construction of Secondary Bulk with reticulation to service household with Nhlambamasoka, Nhlathimbe and Khathikhathi, Replacement of CBD AC pipes in Camperdown, Replacement of AC pipes in Mooi River, replacement of AC pipes in uMshwathi at R9,375,225.

Replacement of AC Pipelines within Howick CBD and Howick West with ward 12 of uMngeni LM at R5,602,280.

Construction of a Borehole Scheme with storage tanks and reticulation with metered yard taps to serve Nyamvubu RR Area within Ward 4 of Mpofana LM at R4,347,826

Madam Speaker, the total investment in these projects is R384,013,725.



Regarding Sanitation, a provision has been made to build 1,000 VIP units funded under MIG for R1,594,010 per LM, and 1861 units funded under WSIG at R1,441,449 per LM. Added to that is the purchase of one TLB and two water tankers.

As I conclude Madam Speaker, I want to reiterate our unwavering commitment to the District Development Model, which is the key driver, especially for catalytic projects within the district. We have a very functional DDM where all stakeholders participate meaningfully towards development and improving lives of people through the delivery of quality services.

Madam Speaker, I therefore table the budget as detailed in the document, for final adoption by Council.

I thank you.

1.2 Resolutions

It is recommended that Council considers and approves the proposed budget estimates for the 2024/25 MTREF period as follows:

- a) The proposed budget funding of R 1 692 900 967 be approved to be funded from the following:

Internally Generated Revenue	R 719 648 967
Grant Funding – Operational	R 776 996 670
Grant Funding – Capital	R 196 255 330

- b) The proposed expenditure appropriations of R 1 570 299 522 be approved and be allocated as follows:

Operating Expenditure	R 1 386 035 696
Capital Programme	R 184 263 825

- c) The capital expenditure programme of R 184 263 825 (excluding VAT) be approved and funded from the following sources:

Municipal Infrastructure Grant	R 92 348 982
Water Services Infrastructure Grant	R 78 307 826
Internal Funding	R 13 607 016

- d) The funding allocation for UMEDA be approved at R 12 200 000 for the 2024/25 financial year.
- e) The draft tariff of charges for Water and Sanitation; Environmental Health and Fire and Emergency Services be adopted by Council at an increase of 12%.
- f) The approved original budget estimates be made public in the manner envisaged by Chapter 4 of the Local Government: Municipal Systems Act.
- g) The Accounting Officer submit the approved original budget as well as all supporting schedules and documentation as required by Sec 17(3) of the MFMA to both the Provincial and National Treasuries.
- h) That the following budget-related policies be adopted:
- Budget Policy
 - Cash Management, Banking and Investment Policy
 - Cost Containment Policy
 - Debt Management and Credit Control Policy
 - Debt Write-off Policy
 - Fixed Assets Policy
 - HR Related Policies
 - Indigent Policy
 - Inventory Management Policy
 - Petty Cash Policy
 - Supply Chain Management Policy
 - Tariff Policy

1.3 Executive Summary

BUDGET ESTIMATES FOR 2024/25 MTREF TO 2026/27 MTREF				
	2023/24	2024/25	2025/26	2026/27
Operating Grants and Transfers	741 034 174	776 996 670	815 476 740	878 334 346
Internally Generated Revenue	607 840 518	719 648 967	755 817 242	789 829 018
Total Operating Revenue	1 348 874 692	1 496 645 637	1 571 293 982	1 668 163 365
Operating Expenditure	1 221 113 719	1 386 035 696	1 431 590 869	1 510 298 993
Operating Surplus / (Deficit)	127 760 973	110 609 941	139 703 114	157 864 372
Capital Grants and Transfers	189 031 826	196 255 330	203 340 260	180 883 654
Surplus/ (Deficit) for the year	316 792 799	306 865 271	343 043 374	338 748 026
Capital expenditure	180 332 670	184 263 825	183 494 236	171 891 003
Budget Surplus	136 460 128	122 601 445	159 549 138	166 857 022
Non-Cash Items	218 208 567	176 592 000	184 715 232	193 027 418
Net Cash Budget Surplus	354 668 696	299 193 445	344 264 370	359 884 440

Table 1: 2024/25 Budget MTREF Summary

The operating revenue framework for the 2024/25 financial year is estimated at R1.496 billion and projected to increase to R1.668 billion over the MTREF period ending 2026/2027. This reflects an increase of 10% when compared to the 2023/24 financial year.

Of the operating revenue, 48% (2024: 45%) will be funded from internal funding, with the grant income contributing 52% (2024: 55%).

The minimum tariff is set to be R26.74 per KL based on the anticipated increase of 9% from Umngeni-uThukela Water as well as the uMkhomazi Dam Capital Unit Charge of R 2.14 per KL to come into effect on 01 July 2024. This represents an 12% increase from the 2023/24 financial year.

The capital revenue framework for the 2024/25 financial year amounts to R 196.255 million; R 203.340 million in 2025/26; and R 180.884 million in 2026/27. This reflects a decrease of 4% when compared to the 2023/24 financial year. The municipality continuously appeals to potential funders for monetary allocations in the attempt to further diminish infrastructure backlogs within the district.

Cost containment measures remain relevant in the foreseeable future to ensure the sustainability and financial viability of the municipality. The operating expenditure framework is proposed at R1.386 billion for the 2024/25 financial year and is anticipated to increase to R1.508 billion in the medium-term ending 2026/27. This reflects an increase of 14% resulting from the increased demand for services coupled with the increase in costs to provide such services as well as the continued need to respond to operating backlogs.

Of the operating expenditure items, R 1.209 billion (87%) relates to cash items and R 176.592 million (13%) relates to non-cash items. R 402.165 million (29%) has been allocated to inventory split between inventory consumed of R 296.339 million (21%) and the provision of R 105.826 million (8%) made for water losses based on historical trends; R 365.584 million (26%) to Employee Related Costs; R 244.121 million (18%) to contracted services; R 167.840 million (12%) to debt impairment provisions; R100.078 million (7%) to operational costs including operating leases; R 60.943 million (4%) to depreciation; R 16.484 million (1%) to the



Remuneration of Councillors; R 15.921 million (1%) to finance charges; and R 12.9 million (1%) to transfers and subsidies.

The capital expenditure framework is proposed at R184.264 million (excluding VAT) for the 2024/25 financial year; R 183.494 million in 2025/26; and R 171.891, million in 2026/27. R170.657 million (93%) of the capital expenditure relates to assets funded by grants; and R 13.607 million to those which will be funded internally.

The budget surplus for the 2024/25 MTREF is projected at R 110.610 million and R 306.865 million after capital transfers and contributions.



Table 2 Consolidated Budgeted Financial Performance (Revenue and Expenditure by Classification)

DC22 uMgungundlovu - 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
Revenue - Functional										
Governance and administration		645 152	622 960	704 416	726 720	726 720	726 720	776 621	815 546	857 021
Executive and council		-	25	-	-	-	-	-	-	-
Finance and administration		645 152	622 935	704 416	726 720	726 720	726 720	776 621	815 546	857 021
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		2 956	2 299	2 919	2 959	2 794	2 794	2 304	-	-
Community and social services		2 956	2 299	2 487	2 959	2 794	2 794	1 889	-	-
Sport and recreation		-	-	-	-	-	-	415	-	-
Public safety		-	-	369	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	0	63	-	-	-	-	-	-
Economic and environmental services		10 439	12 764	9 648	2 718	2 718	2 718	3 269	3 415	3 572
Planning and development		7 887	10 107	-	-	-	-	-	-	-
Road transport		2 552	2 586	2 707	2 718	2 718	2 718	2 840	2 967	3 103
Environmental protection		-	71	6 941	-	-	-	429	448	469
Trading services		511 974	610 081	838 634	870 776	862 602	862 602	910 708	955 673	988 455
Energy sources		-	-	-	-	-	-	-	-	-
Water management		496 650	590 225	773 486	780 767	772 430	772 430	837 074	876 297	893 744
Waste water management		15 324	19 856	65 148	90 008	90 172	90 172	73 634	79 376	94 710
Waste management		-	-	-	-	-	-	-	-	-
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	1 170 521	1 248 105	1 555 616	1 603 173	1 594 834	1 594 834	1 692 901	1 774 634	1 849 047
Expenditure - Functional										
Governance and administration		230 011	219 579	245 322	238 631	239 300	239 300	291 990	297 812	307 292
Executive and council		54 950	52 996	68 625	71 408	72 870	72 870	90 933	94 547	98 802
Finance and administration		174 740	163 674	176 497	164 895	164 903	164 903	200 156	202 322	207 506
Internal audit		321	2 909	201	2 328	1 528	1 528	901	942	985
Community and public safety		85 218	95 037	97 181	118 674	117 800	117 800	136 838	142 360	148 379
Community and social services		82 398	89 591	92 173	100 391	99 517	99 517	44 923	46 990	49 104
Sport and recreation		-	-	-	-	-	-	361	-	-
Public safety		2 812	5 446	5 008	18 283	18 283	18 283	91 554	95 370	99 275
Housing		-	-	-	-	-	-	-	-	-
Health		8	-	-	-	-	-	-	-	-
Economic and environmental services		35 961	31 821	25 470	36 938	38 025	38 025	40 314	29 225	30 540
Planning and development		30 811	24 010	23 002	32 699	32 699	32 699	37 109	25 873	27 037
Road transport		2 219	2 553	2 354	2 363	2 363	2 363	2 470	2 583	2 699
Environmental protection		2 930	5 258	114	1 875	2 962	2 962	735	769	803
Trading services		703 414	718 053	710 769	696 463	451 760	451 760	916 894	960 768	1 022 597
Energy sources		-	-	-	-	-	-	-	-	-
Water management		611 636	525 791	616 700	618 052	373 207	373 207	809 794	847 045	885 162
Waste water management		91 778	192 262	94 069	78 411	78 553	78 553	107 100	113 724	137 435
Waste management		-	-	-	-	-	-	-	-	-
Other	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	1 054 604	1 064 490	1 078 742	1 090 706	846 885	846 885	1 386 036	1 430 165	1 508 809
Surplus/(Deficit) for the year		115 917	183 615	476 874	512 467	747 949	747 949	306 865	344 470	340 238



Table 3 Consolidated Budgeted Financial Performance (Revenue and Expenditure by Municipal Vote)

DC22 uMgungundlovu - 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
Revenue by Vote	1									
Vote 1 - Executive & Council		-	25	-	-	-	-	-	-	-
Vote 2 - Finance & Administration		643 070	623 542	696 495	726 720	726 720	726 720	776 621	815 546	857 021
Vote 3 - Community & Social Services		2 699	423	858	-	-	-	-	-	-
Vote 4 - Internal audit		-	-	-	-	-	-	-	-	-
Vote 5 - Water Management		-	-	-	-	-	-	-	-	-
Vote 6 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 7 - Planning and Development		7 735	10 107	-	-	-	-	-	-	-
Vote 8 - Waste Management		-	71	6 941	-	-	-	429	448	469
Vote 9 - Road Transport		-	-	369	-	-	-	-	-	-
Vote 10 - Health		-	-	-	-	-	-	415	-	-
Vote 11 - Public Safety		499 202	592 811	776 193	783 485	775 148	775 148	839 914	879 264	896 847
Vote 12 - 0		15 324	19 857	65 210	90 008	90 172	90 172	73 634	79 376	94 710
Vote 13 - 0		2 956	2 299	2 487	2 959	2 794	2 794	1 889	-	-
Vote 14 - 0		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1 170 987	1 249 134	1 548 553	1 603 173	1 594 834	1 594 834	1 692 901	1 774 634	1 849 047
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive & Council		62 944	59 092	68 625	71 408	72 870	72 870	90 933	94 547	98 802
Vote 2 - Finance & Administration		117 271	95 085	112 939	91 507	91 515	91 515	110 702	111 567	114 040
Vote 3 - Community & Social Services		48 857	61 463	70 613	73 838	73 838	73 838	89 304	90 599	93 302
Vote 4 - Internal audit		321	2 909	201	2 328	1 528	1 528	901	942	985
Vote 5 - Water Management		68 840	74 913	76 857	93 044	92 170	92 170	20 847	21 806	22 787
Vote 6 - Waste Water Management		19 660	-	-	-	-	-	-	-	-
Vote 7 - Planning and Development		30 811	23 966	23 002	32 549	32 549	32 549	37 081	25 843	27 006
Vote 8 - Waste Management		2 930	5 258	114	1 875	2 962	2 962	735	769	803
Vote 9 - Road Transport		2 812	5 446	5 008	18 283	18 283	18 283	91 554	95 370	99 275
Vote 10 - Health		-	-	-	-	-	-	361	-	-
Vote 11 - Public Safety		613 855	528 344	619 054	620 416	375 571	375 571	812 264	849 628	887 861
Vote 12 - 0		72 118	192 262	94 069	78 411	78 553	78 553	107 100	113 724	137 435
Vote 13 - 0		13 558	14 722	15 316	6 047	5 995	5 995	23 802	24 897	26 017
Vote 14 - 0		-	-	-	1 000	1 000	1 000	300	314	328
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	1 053 978	1 063 460	1 085 797	1 090 706	846 833	846 833	1 385 883	1 430 005	1 508 642
Surplus/(Deficit) for the year	2	117 009	185 674	462 756	512 467	748 001	748 001	307 018	344 629	340 405



Table 4 Consolidated Budgeted Financial Performance (Revenue and Expenditure)

DC22 uMgungundlovu - 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
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	279 322	290 243	404 296	548 868	548 868	548 868	357 833	556 913	585 596	611 948
Service charges - Waste Water Management	2	15 324	19 856	42 939	74 520	74 520	74 520	47 598	62 635	65 516	68 465
Service charges - Waste Management	2	-	-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services		53	71	320	-	-	-	325	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		47 998	33 381	62 866	34 530	34 530	34 530	69 227	73 959	77 361	80 842
Interest earned from Current and Non Current Assets		2 907	3 479	18 635	7 000	7 000	7 000	33 348	25 713	26 896	28 106
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		(824)	-	505	-	-	-	-	-	-	-
Licence and permits		-	-	-	-	-	-	-	429	448	469
Operational Revenue		21	1	149	-	-	-	135	-	-	-
Non-Exchange Revenue											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Surcharges and Taxes		15 692	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-
Licences or permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		588 269	625 710	706 335	387 081	387 079	387 079	378 081	416 545	440 808	487 510
Interest		-	-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	353 805	353 805	353 805	353 805	360 452	374 669	390 824
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Gains		2 021	-	7 063	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contrib		950 784	972 741	1 243 108	1 405 804	1 405 802	1 405 802	1 240 353	1 496 646	1 571 294	1 668 163
Expenditure											
Employee related costs	2	265 513	280 117	276 766	317 206	317 770	317 770	250 415	365 584	380 989	398 133
Remuneration of councillors		11 691	11 531	15 399	15 586	15 586	15 586	13 744	16 484	17 242	18 018
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-	-
Inventory consumed	8	200 103	184 878	191 754	310 426	27 901	27 901	93 433	296 339	311 659	344 277
Debt impairment	3	184 993	(396 762)	161 941	137 943	137 943	137 943	-	167 840	175 561	183 461
Depreciation and amortisation		53 116	51 681	65 589	56 393	56 393	56 393	44 599	60 943	63 746	66 615
Interest		21 033	19 728	18 250	17 404	17 404	17 404	14 136	15 921	14 140	12 255
Contracted services		192 257	241 249	208 696	183 944	184 450	184 450	213 696	244 121	254 922	266 388
Transfers and subsidies		6 500	9 158	9 550	11 500	12 000	12 000	11 659	12 900	209	219
Irrecoverable debts written off		-	504 671	-	-	-	-	360	-	-	-
Operational costs		(25 696)	(26 977)	1 989	80 795	81 077	81 077	65 931	100 078	101 003	103 767
Losses on disposal of Assets		-	8 580	31	-	-	-	15	-	-	-
Other Losses		73 559	88 318	67 920	-	-	-	65 978	105 826	110 694	115 675
Total Expenditure		983 066	976 172	1 017 886	1 131 196	850 524	850 524	773 968	1 386 036	1 430 165	1 508 809
Surplus/(Deficit)		(32 282)	(3 431)	225 222	274 607	555 278	555 278	466 385	110 610	141 129	159 355
Transfers and subsidies - capital (monetary)	6	222 376	276 393	312 140	197 369	189 032	189 032	155 131	196 255	203 340	180 884
Transfers and subsidies - capital (in-kind)	6	-	-	369	-	-	-	(546)	-	-	-
Surplus/(Deficit) after capital transfers & contributions		190 094	272 962	537 730	471 977	744 310	744 310	620 971	306 865	344 470	340 238
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		190 094	272 962	537 730	471 977	744 310	744 310	620 971	306 865	344 470	340 238
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		190 094	272 962	537 730	471 977	744 310	744 310	620 971	306 865	344 470	340 238
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	190 094	272 962	537 730	471 977	744 310	744 310	620 971	306 865	344 470	340 238



Table 5 Consolidated Budgeted Capital Expenditure by Vote, Standard 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
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance & Administration		-	-	-	-	-	-	-	-	-	-
Vote 3 - Community & Social Services		-	-	-	-	-	-	-	-	-	-
Vote 4 - Internal audit		-	-	-	-	-	-	-	-	-	-
Vote 5 - Water Management		-	-	-	-	-	-	-	-	-	-
Vote 6 - Waste Water Management		-	-	-	-	-	-	-	-	-	-
Vote 7 - Planning and Development		-	-	-	-	-	-	-	-	-	-
Vote 8 - Waste Management		-	-	-	-	-	-	-	-	-	-
Vote 9 - Road Transport		-	-	-	-	-	-	-	-	-	-
Vote 10 - Health		-	-	-	-	-	-	-	-	-	-
Vote 11 - Public Safety		-	-	-	-	-	-	-	-	-	-
Vote 12 - 0		-	-	-	-	-	-	-	-	-	-
Vote 13 - 0		-	-	-	-	-	-	-	-	-	-
Vote 14 - 0		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance & Administration		(6 946)	1 685	861	6 300	6 300	6 300	2 716	5 000	-	-
Vote 3 - Community & Social Services		1 457	(1 601)	14	-	-	-	14	4 639	1 573	-
Vote 4 - Internal audit		-	-	-	-	-	-	-	-	-	-
Vote 5 - Water Management		-	-	575	2 500	1 948	1 948	575	2 668	-	-
Vote 6 - Waste Water Management		-	-	-	-	-	-	-	-	-	-
Vote 7 - Planning and Development		-	-	2 101	400	400	400	2 101	-	-	-
Vote 8 - Waste Management		-	-	-	-	-	-	-	-	-	-
Vote 9 - Road Transport		-	-	557	1 300	1 600	1 600	557	-	-	-
Vote 10 - Health		-	-	-	-	-	-	-	-	-	-
Vote 11 - Public Safety		247 601	99 639	(2 490)	173 815	202 731	202 731	403 009	171 957	181 921	171 891
Vote 12 - 0		-	-	-	-	-	-	-	-	-	-
Vote 13 - 0		-	-	-	-	-	-	-	-	-	-
Vote 14 - 0		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		242 112	99 723	1 616	184 315	212 979	212 979	408 971	184 264	183 494	171 891
Total Capital Expenditure - Vote		242 112	99 723	1 616	184 315	212 979	212 979	408 971	184 264	183 494	171 891
Capital Expenditure - Functional											
Governance and administration		(5 489)	85	875	6 300	6 300	6 300	6 546	9 639	1 573	-
Executive and council		-	-	-	-	-	-	30	-	-	-
Finance and administration		(5 489)	85	875	6 300	6 300	6 300	6 516	9 639	1 573	-
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		-	-	1 131	3 800	3 548	3 548	2 628	2 668	-	-
Community and social services		-	-	575	2 500	1 948	1 948	983	2 668	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	557	1 300	1 600	1 600	1 645	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		-	-	2 101	400	400	400	2 442	-	-	-
Planning and development		-	-	2 101	400	400	400	2 442	-	-	-
Road transport		-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		247 601	99 639	(2 490)	173 815	202 731	202 731	563 150	171 957	181 921	171 891
Energy sources		-	-	-	-	-	-	-	-	-	-
Water management		247 601	99 639	(2 490)	173 815	202 731	202 731	563 150	171 957	181 921	171 891
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	242 112	99 723	1 616	184 315	212 979	212 979	574 767	184 264	183 494	171 891
Funded by:											
National Government		241 892	105 348	(13 615)	171 625	200 541	200 541	548 207	170 657	181 921	171 891
Provincial Government		-	-	8 696	-	-	-	8 696	-	-	-
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	4	241 892	105 348	(4 919)	171 625	200 541	200 541	556 902	170 657	181 921	171 891
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		220	(5 625)	6 167	12 690	12 438	12 438	17 496	13 607	1 573	-
Total Capital Funding	7	242 112	99 723	1 248	184 315	212 979	212 979	574 398	184 264	183 494	171 891



Table 6 Consolidated Budgeted Financial Position

DC22 uMgungundlovu - 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							
ASSETS																		
Current assets																		
Cash and cash equivalents		82 807	81 683	328 660	(93 376)	827 552	827 552	396 593	468 725	578 413	605 028							
Trade and other receivables from exchange transactions	1	87 493	100 817	201 178	475 513	508 271	508 271	469 582	454 950	(114 619)	(119 777)							
Receivables from non-exchange transactions	1	15 692	16 035	-	30 193	82 293	82 293	602	-	-	-							
Current portion of non-current receivables		4 488	3 514	(2 680)	(36 978)	-	-	(232 956)	161 494	3 923	-							
Inventory	2	(50 530)	(32 966)	(1 176)	161 837	139 633	139 633	7 306	154 069	141 468	147 407							
Other current assets		1 307	1 341	3 305	1 181	3 542	3 542	8 068	3 355	-	-							
Total current assets		141 258	170 424	529 325	538 371	1 328 335	1 328 335	1 063 645	1 085 023	665 292	632 658							
Non current assets																		
Investments		-	-	-	-	-	-	-	-	-	-							
Investment property		-	-	-	-	-	-	-	-	-	-							
Property, plant and equipment	3	2 183 647	2 344 118	2 552 268	2 702 678	7 056 484	7 056 484	2 673 678	2 788 542	119 786	105 316							
Biological assets		-	-	-	-	-	-	-	-	-	-							
Living and non-living resources		-	-	-	-	-	-	-	-	-	-							
Heritage assets		4	4	4	4	16	16	4	4	4	4							
Intangible assets		1 609	37	71	446	11 454	11 454	39	1 160	(38)	(40)							
Trade and other receivables from exchange transactions		-	-	-	-	-	-	-	-	-	-							
Non-current receivables from non-exchange transactions		-	-	-	-	-	-	-	-	-	-							
Other non-current assets		-	-	-	-	-	-	-	-	-	-							
Total non current assets		2 185 259	2 344 158	2 552 442	2 703 129	7 067 954	7 067 954	2 673 921	2 789 705	119 748	105 276							
TOTAL ASSETS		2 326 518	2 514 583	3 081 768	3 241 500	8 396 289	8 396 289	3 737 566	3 874 728	725 040	737 934							
LIABILITIES																		
Current liabilities																		
Bank overdraft		-	-	-	-	-	-	-	-	-	-							
Financial liabilities		10 962	12 310	13 676	-	33 280	33 280	-	32 102	18 826	20 847							
Consumer deposits		7 260	7 571	7 233	7 950	29 623	29 623	7 514	7 233	-	-							
Trade and other payables from exchange transactions	4	221 156	131 519	296 160	(349 121)	(4 076)	(4 076)	143 323	457 985	271 219	283 424							
Trade and other payables from non-exchange transactions	5	18 357	16 822	20 530	(73 828)	(43 314)	(43 314)	59 698	16 350	-	-							
Provision		47 448	156 406	90 629	49 632	60 687	60 687	(4 826)	12 338	9 155	9 567							
VAT		17 168	(21 752)	13 720	172 838	239 241	239 241	64 941	99 351	100 197	104 706							
Other current liabilities		-	-	-	-	-	-	-	-	-	-							
Total current liabilities		322 358	302 877	441 949	(192 529)	315 441	315 441	270 550	621 359	399 387	418 543							
Non current liabilities																		
Financial liabilities	6	175 530	163 220	149 542	149 542	683 713	683 713	149 542	117 440	(18 826)	(20 847)							
Provision	7	12 236	54 742	54 034	15 715	53 936	53 936	54 034	60 352	-	-							
Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-							
Other non-current liabilities		-	-	-	-	-	-	-	-	-	-							
Total non current liabilities		187 766	217 962	203 576	165 257	737 649	737 649	203 576	177 792	(18 826)	(20 847)							
TOTAL LIABILITIES		510 124	520 839	645 525	(27 272)	1 053 090	1 053 090	474 126	799 150	380 561	397 696							
NET ASSETS		1 816 401	1 993 744	2 436 243	3 268 773	7 343 198	7 343 198	3 263 440	3 075 577	344 479	340 238							
COMMUNITY WEALTHEQUITY																		
Accumulated surplus/(deficit)	8	1 833 481	2 029 157	2 452 450	3 171 812	7 177 359	7 177 359	3 077 166	3 023 874	344 470	340 238							
Reserves and funds	9	56 479	52 504	51 712	(56 471)	(162 200)	(162 200)	(61 246)	(51 704)	-	-							
Other		-	-	-	-	-	-	-	-	-	-							
TOTAL COMMUNITY WEALTHEQUITY	10	1 889 960	2 082 061	2 504 162	3 115 341	7 015 160	7 015 160	3 015 920	2 972 170	344 470	340 238							

Table 7 Consolidated Budgeted Cash Flows

DC22 uMgungundlovu - 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							
CASH FLOW FROM OPERATING ACTIVITIES																		
Receipts																		
Property rates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges		-	-	-	430 240	583 005	583 005	-	379 877	767 662	802 206							
Other revenue		571	-	-	353 805	353 805	353 805	319 185	360 945	375 185	391 363							
Transfers and Subsidies - Operational	1	-	-	180 000	371 592	371 427	371 427	1 589 594	416 545	440 808	487 510							
Transfers and Subsidies - Capital	1	-	-	-	-	-	-	183 596	196 255	203 340	180 884							
Interest		-	17	54	27 373	7 000	7 000	772 206	25 713	28 896	28 106							
Dividends		-	-	-	-	-	-	-	-	-	-							
Payments																		
Suppliers and employees		-	118	532 743	(1 480 363)	(931 339)	(931 339)	(1 665 607)	(982 593)	(1 010 316)	(1 075 109)							
Interest		-	8 490	18 771	(17 404)	(17 404)	(17 404)	(17 404)	(15 921)	(14 140)	(12 255)							
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-							
NET CASH FROM/(USED) OPERATING ACTIVITIES		571	8 624	731 568	(314 757)	366 494	366 494	1 181 570	380 821	789 434	802 705							
CASH FLOWS FROM INVESTING ACTIVITIES																		
Receipts																		
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-							
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-							
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-							
Payments																		
Capital assets		-	-	-	162 656	184 690	184 690	40 538	(211 903)	(211 018)	(197 675)							
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	-	-	162 656	184 690	184 690	40 538	(211 903)	(211 018)	(197 675)							
CASH FLOWS FROM FINANCING ACTIVITIES																		
Receipts																		
Short term loans		-	-	-	-	-	-	-	-	-	-							
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-							
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	(22 390)	(7 233)	-							
Payments																		
Repayment of borrowing		-	10 962	27 851	(13 678)	(13 678)	(13 678)	13 678	-	-	-							
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	10 962	27 851	(13 678)	(13 678)	(13 678)	13 678	(22 390)	(7 233)	-							
NET INCREASE/ (DECREASE) IN CASH HELD		571	19 586	759 420	(165 779)	537 507	537 507	1 235 786	146 527	571 183	605 030							
Cash/cash equivalents at the year begin:	2	-	-	-	-	-	-	-	299 809	446 336	1 017 519							
Cash/cash equivalents at the year end:	2	571	19 586	759 420	(165 779)	537 507	537 507	1 235 786	446 336	1 017 519	1 622 550							



Total Renewal of Existing Assets	2	146 761	190 834	142 969	6 300	6 300	6 300	3 800	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		144 990	189 165	139 885	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		144 990	189 165	139 885	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	930	186	3 000	3 000	3 000	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	930	186	3 000	3 000	3 000	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		1 601	-	37	-	-	-	-	-	-
Intangible Assets		1 601	-	37	-	-	-	-	-	-
Computer Equipment		169	739	1 983	2 800	2 800	2 800	-	-	-
Furniture and Office Equipment		1	-	209	500	500	500	800	-	-
Machinery and Equipment		-	-	669	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	3 000	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	6	79 832	120 573	160 117	67 495	71 423	71 423	98 550	111 715	55 001
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		79 832	120 573	160 117	67 485	71 413	71 413	97 510	110 142	55 001
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		79 832	120 573	160 117	67 485	71 413	71 413	97 510	110 142	55 001
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	10	10	10	1 039	1 573	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	307 631	407 355	408 971	184 315	212 979	212 979	184 264	183 494	171 891
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		305 861	405 500	403 009	173 625	202 541	202 541	170 657	181 921	171 891
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		305 861	405 500	403 009	173 625	202 541	202 541	170 657	181 921	171 891
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	930	761	5 500	4 948	4 948	2 668	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	930	761	5 500	4 948	4 948	2 668	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		1 601	-	37	-	-	-	1 200	-	-
Intangible Assets		1 601	-	37	-	-	-	1 200	-	-
Computer Equipment		169	739	1 983	3 200	3 200	3 200	4 639	1 573	-
Furniture and Office Equipment		1	186	234	750	1 050	1 050	800	-	-
Machinery and Equipment		-	-	847	1 240	1 240	1 240	1 300	-	-
Transport Assets		-	-	-	-	-	-	3 000	-	-
Land		-	-	2 101	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		307 631	407 355	408 971	184 315	212 979	212 979	184 264	183 494	171 891



ASSET REGISTER SUMMARY - PPE (MDV)	5	1 657 029	1 778 627	1 958 654	1 828 363	4 888 878	4 888 878	1 910 693	119 748	105 276
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		799 720	925 764	1 103 029	967 684	1 469 220	1 469 220	1 621 665	122 452	109 746
Sanitation Infrastructure		767 433	767 433	767 433	767 433	3 115 384	3 115 384	188 988	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		1 567 152	1 693 197	1 870 461	1 735 116	4 584 604	4 584 604	1 810 653	122 452	109 746
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		4	4	4	4	16	16	4	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other Assets		56 088	55 771	55 238	58 792	165 751	165 751	54 698	(1 500)	(1 567)
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		1 609	37	71	448	11 454	11 454	1 160	(38)	(40)
Computer Equipment		3 448	2 634	4 062	6 605	16 386	16 386	11 416	467	(1 156)
Furniture and Office Equipment		2 690	2 337	2 377	2 884	11 249	11 249	3 938	(274)	(286)
Machinery and Equipment		14 852	13 839	13 909	14 481	58 794	58 794	16 208	(922)	(964)
Transport Assets		8 217	7 839	7 461	7 063	31 713	31 713	9 645	(437)	(456)
Land		2 970	2 970	5 071	2 970	8 911	8 911	2 970	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (MDV)	5	1 657 029	1 778 627	1 958 654	1 828 363	4 888 878	4 888 878	1 910 693	119 748	105 276
EXPENDITURE OTHER ITEMS		68 329	65 892	72 840	77 749	77 749	77 749	90 550	94 715	98 977
Depreciation	7	48 414	51 681	51 680	56 393	56 393	56 393	60 943	63 746	66 615
Repairs and Maintenance by Asset Class	3	19 916	14 211	21 160	21 356	21 356	21 356	29 607	30 969	32 362
Roads Infrastructure		-	-	2 354	2 363	2 363	2 363	2 470	2 583	2 699
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		19 097	14 211	18 806	17 940	17 940	17 940	25 637	26 817	28 023
Sanitation Infrastructure		814	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		19 917	14 211	21 160	20 303	20 303	20 303	28 107	29 400	30 723
Community Facilities	3	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets	3	-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings	2	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets	2	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	1 053	1 053	1 053	1 500	1 569	1 640
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		68 329	65 892	72 840	77 749	77 749	77 749	90 550	94 715	98 977
Renewal and upgrading of Existing Assets as % of total capex		73.7%	76.4%	74.1%	40.0%	36.5%	36.5%	55.5%	60.9%	32.0%
Renewal and upgrading of Existing Assets as % of deprecn		468.0%	602.6%	586.5%	130.9%	137.8%	137.8%	167.9%	175.2%	82.6%
R&M as a % of PPE & Investment Property		1.2%	0.8%	1.1%	1.2%	0.4%	0.4%	1.6%	25.9%	30.7%
Renewal and upgrading and R&M as a % of PPE and Investment Property		14.9%	18.3%	16.6%	5.2%	2.0%	2.0%	6.9%	119.1%	83.0%



Table 10 Consolidated Basic service delivery

DC22 uMgungundlovu - 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		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		51 243	51 243	51 243	77 062	77 062	77 062	77 062	77 062	77 062
Using public tap (at least min.service level)	2	17 623	17 623	17 623	22 307	22 307	22 307	22 307	22 307	22 307
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		69 066	69 066	69 066	99 369	99 369	99 369	99 369	99 369	99 369
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	19 417	19 417	19 417	19 417	19 417	19 417	19 417	19 417	19 417
No water supply		21 216	21 216	21 216	21 216	21 216	21 216	21 216	21 216	21 216
<i>Below Minimum Service Level sub-total</i>		40 633	40 633	40 633	40 633	40 633	40 633	40 633	40 633	40 633
Total number of households	5	109 699	109 699	109 699	140 002	140 002	140 002	140 002	140 002	140 002
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
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)		-	-	-	-	-	-	-	-	-
<i>Informal Settlements</i>		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)										
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-
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)		-	-	-	(10 314)	(10 314)	(10 314)	(15 698)	(16 420)	(17 159)
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	-	-	-	(10 314)	(10 314)	(10 314)	(15 698)	(16 420)	(17 159)

PART 2

2.1 Overview of Annual Budget Process

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 2022) 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 in August 2023.

The Key dates applicable to the process were:

- **25 January 2024** - Council considers the 2023/24 Mid-year Review and Budget Implementation.
- **07 – 09 February 2024** – Joint strategic planning session of the Mayoral Committee and Executive Management with the aim of reviewing past performance trends of the capital and operating budgets, the economic realities and to set the priorities for the compilation of the 2024/25 MTREF.
- **February 2024** – Detail departmental budget proposals (capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines.
- **27 February 2024** - Council considers the 2023/24 Mid-year Adjustments Budget.
- **11 March 2024** – Multi-year budget proposals are submitted to the Management Committee for endorsement.
- **06 March 2024** - Review of the financial strategy and key economic and financial planning assumptions by the Budget and Treasury Office. This includes financial forecasting and scenario considerations.
- **18 March 2024** - Recommendations of the proposed budget estimates are communicated to the Budget Steering Committee, the Executive Committee and to the respective departments.
- **31 March 2024** - Tabling in Council of the draft 2024/25 IDP and budget estimates for public consultation.
- **April - May 2024** – Public consultation meetings and consideration of stakeholder inputs and comments.
- **19 April 2024** - Closing date for written comments.
- **03 May 2024** - Finalisation of budget-related policies.
- **11 to 15 May 2024**– finalization of the 2024/25 IDP and MTREF, taking into consideration comments received from the public, comments from National and Provincial Treasuries, and updated information from the most recent Division of Revenue Bill and financial framework.

- **23 May 2024** - Tabling of the 2024/25 MTREF before Council for consideration and approval.

2.2 Overview of Alignment of Annual Budget with Integrated Development Plan

The following key factors and planning strategies have informed the compilation of the 2024/25 MTREF:

- Growth of the District;
- Policy priorities and strategic objectives;
- Asset maintenance;
- Infrastructure backlogs;
- Operational backlogs;
- Economic climate and trends (i.e., inflation, Eskom increases, household debt, migration patterns);
- Performance trends;
- The approved 2022/2023 adjustments budget and performance against the SDBIP;
- Financial Recovery Strategy;
- Debtor payment levels;
- Loan servicing and investment possibilities;
- The need for tariff increases to achieve cost reflection versus the ability of the community to pay for services; and
- Improved and sustainable service delivery.

In order to ensure integrated and focused service delivery between all spheres of government it was important for the municipality 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, and provision of free basic service to the poor.

Alignment at National Level

The National sphere has provided a national framework and guidelines for sectoral, provincial and municipal planning. This contributes to the creation of a normative framework consisting of common policy guidelines and principles, general strategic guidelines regarding sectoral strategies and spatial macro-strategies.

The National Sphere should coordinate and prioritise the District Development Model programmes and projects as well as budgets between sectors and the national sphere in line with the National priorities set out in the State of Nation address which are aligned with the District Priorities outlined in the IDP has programmes which respond to the following national priorities:

- Economic reforms and infrastructure programmes;
- Establishing energy supply and fixing the logistics system;
- Increase rooftop solar capacity and job creation in the energy sector;
- Bulk water projects to improve water supply to millions of residents in villages, towns and cities;
- Subsidized housing to be located close to work, education and services; and
- National strategic plan on gender-based violence.

Alignment at Provincial Level

At this level, there are specific frameworks with mid-term objectives and targets for public investment and services as well as a spatial macro-framework for all sectors and municipalities. Sectoral programmes and District programmes also need to be coordinated and aligned. Provincial level is best positioned to facilitate this. Municipalities have been urged to be proactive in soliciting this assistance. Important among policy directives are the following:

- Priorities set by the Premier's State of the Province Address
- Priorities set out in the Provincial Growth and Development Strategy (PGDS) and PGDP.
- Provincial Spatial Economic Development Perspective.

The district priorities are aligned to respond to the Provincial priorities set out. The following 7 priorities were highlighted during the KZN SOPA 2024:

- A capable, ethical and developmental State;
- Economic transformation and job creation;
- Education, skills and health;
- Consolidating the social wage through basic services;
- Spatial integration, human settlements and local government;
- Social cohesion and safe communities; and
- A better Africa and a better world.

Alignment at Local Level

Municipalities have to prepare a 5-year IDP. Interaction between the District and Local Municipalities is essential. The Framework Plan for the District must address the alignment.

The Municipal Manager must, with the support of the IDP Manager / Coordinator and the IDP Steering Committee, ensure that all role players are performing their duties. Performance will be monitored at all the meetings. Organizational restructuring should be provided for interdisciplinary teams around each Key Performance Area.

Alignment between District Council and Local Councils

Alignment between the Local Municipality and the District Municipality will be managed by a District Technical Coordinating Committee (MM's Forum) comprising the Municipal Managers from the locals and the district to ensure that deadlines are met. This committee then reports to the District Political Hub (Mayor's Forum).

District Economic Sectors and Infrastructure Development Clusters comprise of all planners and economic development practitioners led by one of the Municipal Managers. This cluster will report to the District Technical Hub Committee (Municipal Managers Forum).

IDP Managers/Coordinators from Local Municipalities and the District are responsible for the formulation of IDPs as well as to support each other during the process. These Managers /Coordinators meet on a regular basis.

Any deviation from the Framework Plan can only be adopted by the meeting and the following procedures for amendment to the Framework will apply:

- In terms of the MSA, the District and Local Councils must all agree on the amendment procedures to be followed where a Framework Plan needs to be amended;
- Cross border alignment (other Districts and Provinces); and

- Cross-border alignment will be attained through the Provincial Planners Forum and the alignment sessions and the IGR structures.

2.3 Measurable Performance Objectives and Indicators

Refer to Annexure A.

2.4 Overview of Budget Related Policies

The budget-related policies were reviewed to ensure that are aligned with the relevant legislation and regulations. These policies were to guide the budget process and include the following:

- Budget Policy
- Cash Management, Banking and Investment Policy
- Cost Containment Policy
- Debt Management and Credit Control Policy
- Debt Write-off Policy
- Fixed Assets Policy
- HR Related Policies
- Indigent Policy
- Inventory Management Policy
- Petty Cash Policy
- Supply Chain Management Policy
- Tariff Policy

Budget and Virement Policy: The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the Municipality's system of delegations. No amendments were made during the policy review.

Cash Management, Banking and Investment Policy: This policy establishes a cash management and investment framework for the Municipality and to set out the objectives, policies, statutory requirements, and guidelines including defining levels of risk considered prudent for investing surplus funds. No amendments were made during the policy review.

Cost containment policy: The policy aims to regulate municipal spending by implementing cost containment measures to ensure compliance with the Cost Containment Regulations as promulgated by National Treasury from time to time. The following amendments were made to the policy:

- Para 8(1) – removal of clause for use of debit cards for petty cash purposes.
- Para 8(2) – inclusion of reference to Petty Cash Policy and Processes for purposes of reimbursements.
- Para 9(5) – removal of entertainment allowances.
- Para 17(1) – inclusion of “whistleblowing channels’ as a means of reporting non-compliance to cost containment policy.

Debt Management and Credit Control Policy: The policy is updated, credible, sustainable, manageable and informed by affordability and value for money. There has been a need to review certain components to achieve a higher collection rate. Some of the possible revisions will include the lowering of the credit periods for the down payment of debt. In addition, emphasis will be placed on speeding up the indigent registration process to ensure that credit control and debt collection efforts are not fruitlessly wasted on these debtors. The following amendments were made to the policy:

- Para 6(15)(1) A penalty clause has been included where R6 000 is payable immediately in case of illegal reconnections and bypasses of the municipal supply systems.
- Para 6(14)(1)(6) A clause relating to consumers with more than one account and one of those accounts is in arrears has been included, where council reserves the right to restrict or disconnect water supply in all other accounts to enforce payment of the account that is in arrears.

Debt Write-off Policy: This policy provides a framework for regulating the writing off of irrecoverable debt and further enhances of the municipality's debt management strategy.

Fixed Assets Policy: The Asset Management, Infrastructure and Funding Policy a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance and is utilized as a guide to the selection and prioritization of individual capital projects. In addition, the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment. The following amendments were made to the policy:

- All accounting related policy clauses were updated to align with GRAP.
- All inventory-related clauses were removed as inventory now has a separate policy.
- The final annual verification due date was changed from 30 June to 31 July.
- Para 12(1)(2) relating to short-term loan of assets by other organs of state has been updated to include a requirement that the borrowing organ of state is to sign acknowledgement of liability for the replacement value of the asset and all charges and costs related to the insurance claim should any damages be suffered.
- Para 18(5) relating to lost, stolen or damaged beyond repair updated to recommend investigation by internal audit where applicable.

Indigent policy: 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 Municipality. Only registered indigents qualify for the free basic services. No amendments were made during the policy review.

Inventory Policy: This policy outlines the procedures and processes for procurement management and control over inventory or stock items in accordance with the relevant regulations and legislations and other municipal policies and directives. The envisaged outcome is an efficient and effective control and inventory management tool for the municipality.

Petty Cash: The policy provides a convenient way to pay for small expenses but keeping cash in any office entails risk of misuse or theft. This policy provides procedures designed to mitigate these risks.

- Para 8(4) relating to the petty cash float maximum of has been amended from R 10,000 to R20,000.00.

Tariff Policy: The Municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery.

Supply Chain Management Policy: The supply chain management policy aims to ensure the efficient and uniform acquisition as well as contractual agreements of works, goods and services. The policy requires the Municipality to contract for goods or services in accordance with a system that is Fair, Equitable, Transparent, Competitive, and Cost effective.

Below are other budgeted related policies as per Municipal Budget and Reporting Regulations

- Employee Benefits Policy
- Budget Related policy - Human Resources

The above policies were reviewed and approved together with the 2024/25 annual budget.

2.5 Overview of Budget Assumptions

When preparing the 2024/2025 budget estimates, the following were considered:

- The average CPI is 4.9 for the period 01 July 2024 to 30 June 2025.
- Umngeni-uThukela Water tariff increase of 9% for the 2024/25 financial year and an additional R 2.14 per KL for the uMkhomazi Dam Capital Unit Charge.
- A 12% increase in tariffs considering the increases anticipated for bulk water per KL.
- Average collection rate will be at 52.1% in line with the last audited financial year.
- An increase of 18.7% on Eskom tariffs.
- Interest rates will remain the same – Interest to service the long-term loan will not increase.
- The employee related costs will be allowed a maximum 5.5% increase.
- Critical positions will be filled including strategic positions of: Municipal Manager; Executive Manager: Budget and Treasury Office; Executive Manager: Technical Services; and Executive Manager: Corporate Services will be filled.

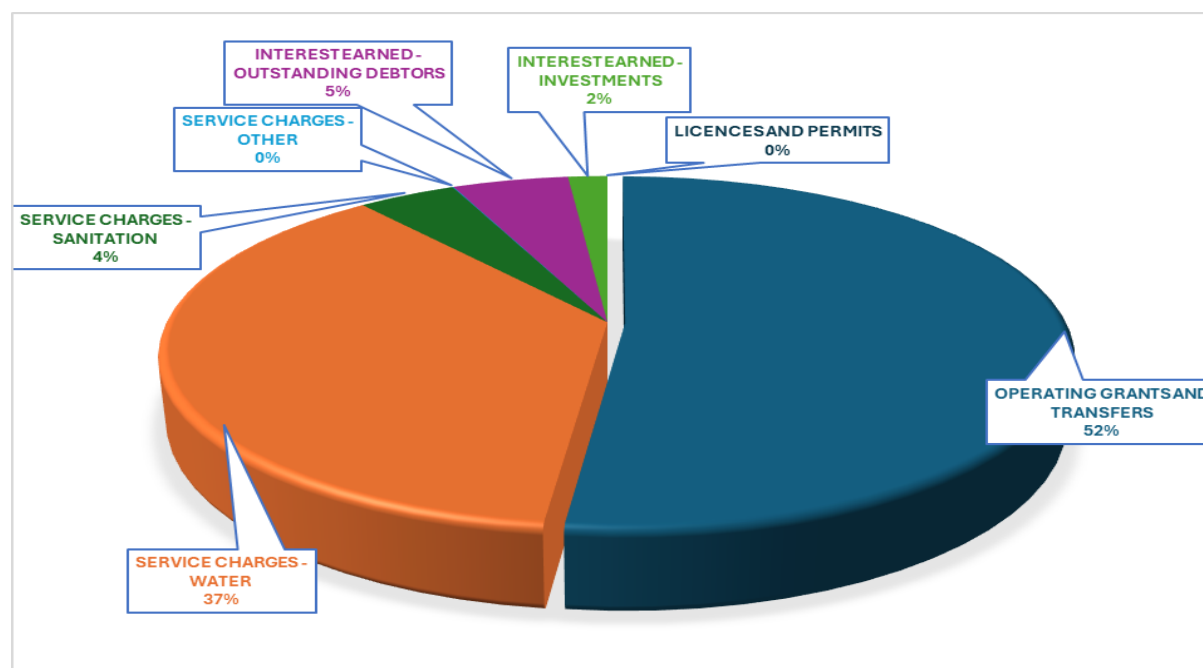
2.6 REVENUE FRAMEWORK

REVENUE FRAMEWORK	Adjusted Budget 2023/24	2024/25	2025/26	2026/27	% Change
OPERATING GRANTS AND TRANSFERS	741 034 174	776 996 670	815 476 740	878 334 346	5%
INTERNALLY GENERATED REVENUE	607 840 518	719 648 967	755 817 242	789 829 018	18%
TOTAL OPERATING REVENUE	1 348 874 692	1 496 645 637	1 571 293 982	1 668 163 365	11%
CAPITAL GRANTS AND TRANSFERS	189 031 826	196 255 330	203 340 260	180 883 654	4%
TOTAL GRANTS & TRANSFERS	1 537 906 518	1 692 900 967	1 774 634 242	1 849 047 018	10%

Table 2: Revenue Framework Summary

The total revenue framework is estimated at R1.692 billion for the 2024/25 financial year resulting in an overall increase of 10% when compared to the 2023/24 financial year. A weighting of 42% (2024: 39%) of the total revenue framework is internally funded and 58% (2024: 61%).

The operating revenue is proposed at an amount of R 1.496 billion and contributes 88% (2024: 88%) to the total revenue framework. This reflects an increase of 11% when compared to the 2023/24 financial year. Of the operating revenue, 52% relates to operating transfers and subsidies, 37% relates to water revenue, 5% relates to interest on outstanding debtors, 4% relates sanitation revenue to, 2% relates to interest from investments, 0.04% relates to connection and disconnection fees and 0.03% relates to fees charges for environmental health licences and permits.



Graph 1: 2024/25 Operating Revenue Contributions

Of the operating revenue, 48% (2024: 45%) will be funded from internal funding which is in line with the 2022/23 contribution, with the grant income contributing 52% (2024: 55%).

The breakdown is as follows:

REVENUE FRAMEWORK	Adjusted Budget 2023/24	2024/25	2025/26	2026/27
OPERATING GRANTS AND TRANSFERS	741 034 174	776 996 670	815 476 740	878 334 346
NATIONAL	740 884 174	776 581 670	815 476 740	878 334 346
EQUITABLE SHARE	364 715 000	389 256 000	412 781 000	436 891 000
LEVY REPLACEMENT GRANT	353 805 000	360 452 000	374 669 000	390 824 000
FINANCE MANAGEMENT GRANT	1 200 000	1 200 000	1 200 000	1 200 000
EPWP INCENTIVE GRANT	2 794 000	1 889 000	-	-
RURAL ROADS ASSET MANAGEMENT GRANT	2 718 000	2 840 000	2 967 000	3 103 000
MUNICIPAL INFRASTRUCTURE GRANT	15 652 174	10 998 670	13 859 740	26 245 710
WATER SERVICES INFRASTRUCTURE GRANT	-	9 946 000	10 000 000	20 070 636
NATIONAL DEPARTMENTAL AGENCIES	150 000	-	-	-
SOUTH AFRICAN NATIONAL BIODIVERSITY INSTITUTE	150 000	-	-	-
PROVINCIAL	-	415 000	-	-
ACCELERATED WATER INTERVENTION PROJECT	-	-	-	-
DEPARTMENT OF SPORT, ARTS AND CULTURE	-	415 000	-	-
DONATIONS	523 471	-	-	-
SANTAM	523 471	-	-	-
CAPITAL GRANTS AND TRANSFERS	189 031 826	196 255 330	203 340 260	180 883 654
NATIONAL	189 031 826	196 255 330	203 340 260	180 883 654
MUNICIPAL INFRASTRUCTURE GRANT	98 381 826	106 201 330	103 340 260	90 954 290
WATER SERVICES INFRASTRUCTURE GRANT	90 650 000	90 054 000	100 000 000	89 929 364
PROVINCIAL	-	-	-	-
ACCELERATED WATER INTERVENTION PROJECT	-	-	-	-
DISASTER RECOVERY GRANT	-	-	-	-
TOTAL GRANTS & TRANSFERS	930 066 000	973 252 000	1 018 817 000	1 059 218 000
		735 346 562	772 236 926	806 987 588
INTERNALLY GENERATED REVENUE	607 840 518	719 648 967	755 817 242	789 829 018
SERVICE CHARGES - WATER	454 432 711	572 003 533	601 380 118	628 442 224
COST OF FREE BASIC SERVICES	(10 314 099)	(15 697 595)	(16 419 684)	(17 158 570)
SERVICE CHARGES - SANITATION	54 831 256	62 635 097	65 516 312	68 464 546
SERVICE CHARGES - OTHER	579 150	607 528	635 475	664 071
INTEREST EARNED - OUTSTANDING DEBTORS	79 266 444	73 959 009	77 361 123	80 842 374
INTEREST EARNED - INVESTMENTS	29 000 000	25 712 739	26 895 525	28 105 824
LICENCES AND PERMITS	45 056	428 655	448 373	468 550
TOTAL OPERATING REVENUE	1 348 874 692	1 496 645 637	1 571 293 982	1 668 163 365
		1 708 598 562	1 791 053 926	1 866 205 588
TOTAL REVENUE	1 537 906 518	1 692 900 967	1 774 634 242	1 849 047 018

Table 3: 2024/25 Operating Revenue Framework

The capital revenue is proposed at R 196.255 million and contributes 12% (2024:12%) to the total revenue framework. This revenue is fully grant funded. Of the capital revenue, 54% (2024: 52%) is funded by the Municipal Infrastructure Grant and 46% (2024: 48%) by the Water Services Infrastructure Grant.

The minimum tariff is set to be at a minimum of R26.74 per KL (including VAT) based on the anticipated increase on 9% from Umngeni-uThukela Water and the uMkhomazi Dam Capital Unit Charge of R 2.14 per KL. This represents an 12% increase from the 2023/24 financial year.

The proposed tariff structure is as follows:

• **Water and Sanitation**

WATER AND SANITATION TARIFF CHART FOR 2024/25 FINANCIAL YEAR			
Water	2023/2024	2024/2025	% Increase
Households			
0 - 6	23.87	26.74	12
7 - 15	46.12	51.65	12
16 - 25	55.12	61.73	12
26 - 35	76.54	85.72	12
36 - 60	107.36	120.25	12
60 +	131.95	147.78	12
Basic charge	73.86	82.72	12
Business /Commercial			
0 - 999999	66.06	73.98	12
Builder/Construction Sites			
0 - 999999	191.71	214.72	12
NGO's (Public benefit)			
0 - 999999	29.87	33.45	12
Basic charge	35.81	40.10	12
Sewerage	2023/2024	2024/2025	% Increase
Households			
0 - 6	17.90	20.05	12
7 - 15	34.59	38.74	12
16 - 25	41.34	46.30	12
26 +	57.40	64.29	12
Business /Commercial			
0 - 999999	51.45	57.62	12

Table 4: Tariff Structure for Water and Sanitation

• **Environmental Health Services**

The municipality is also responsible for environmental health matters as designated in the Municipal Structures Act.

The following aspects were considered when the tariffs for environmental health were decided upon:

- i. Users and consumers of municipal services should be treated equitable in the application of the tariffs.
- ii. The amount individual users or consumers pay for services should generally be in proportion to their use of that service.
- iii. Tariffs of charges must reflect the costs reasonably associated with rendering the service.
- iv. Tariffs of charges must be set at levels that facilitate financial sustainability of the service.

TARIFF OF CHARGES: ENVIRONMENTAL HEALTH		2023/2024	2024/2025
1.	Issuing of health certificate for accommodation establishment	R 427	R 478
2.	Issuing of health certificate for hairdressing/beauty/cosmetology	R 427	R 478
3.	Issuing of health certificate for childcare facility	R 427	R 478
4.	Processing of certificate of acceptability for food premises	R 427	R 478
5.	Processing of Certificate of Competence	R 1344	R 1505
6.	Renewal of certificate of competence	R 611	R 684
7.	Processing of provisional certificate of competence	R 611	R 684
8.	Issuing of a certificate for the introduction of milk and/or milk products into the municipal area for human consumption	R 300	R 300
9.	Annual renewal of the certificate for the introduction of milk and/or milk products into the municipal area for human consumption	R 200	R 200
10.	Offensive trade permit	R 1344	R 1505
11.	Re-inspection of food premises for the removal of a prohibition	R 672	R 752
12.	Issuing of an export certificate	R 641	R 718
13.	Issuing of a destruction of food certificate	R 306	R 343

• **Fire and Emergency Services**

Except as is specifically otherwise provided, these tariffs determine the fees payable by a controlling Authority, Governing Body, or any other person in terms of Section 10 (1) of the Fire Brigade Service Act 99 of 1987 on whose behalf the Fire and Emergency Service of the uMgungundlovu District Municipality is applied inside or outside the area of jurisdiction of the Council:

- a) For the attendance of Services
- b) For the use of the service and any equipment, or
- c) For any material consumed

Any person who feels aggrieved by an assessment of the charges raised may within 14 days after receipt of that assessment object in writing against that assessment as such, or the amount thereof, to the Municipal Manager of the uMgungundlovu District Council, whereby the Council may confirm, alter, or revoke the assessment.

TARIFF OF CHARGES OF SERVICE RENDERED AT FIRE AND SPECIAL SERVICE INCIDENTS

1. For Service Rendered at Incidents Classified as Fire: Per hour or part thereof		2023/2024	2024/2025	
1.1.	Structural	R 2 670.53	R3 002.00	12%
1.2.	Transport	R 2 127.16	R 2 391.14	12%
1.3.	Fire- Vegetation, Grass, Bush, Rubbish or Plantation	R 1 951.40	R 2 193.56	12%
1.4.	Fire Hazmat	R 2 670.53	R 3 001.94	12%
1.5.	Fire-Other	R 1 661.20	R 1 867.35	12%
1.6.	Special Service-Transport	R 1 331.76	R 1 497.03	12%
1.7.	Special Service-Structural	R 1 331.76	R 1 497.03	12%
1.8.	Special Service-Hazmat	R 3 001.94	R 3 425.81	12%
1.9.	Special Service-Water	R1 497.03	R 1 683.11	12%
1.10.	Special Service-Other (e.g. major welding)	R 1 331.76	R 1 497.03	12%
1.11.	Out of Area	R 1 331.76	R 1 497.03	12%

1.12. For consumables used at any incident				
Cost of consumables used plus 15% e.g. R500 + 15% (R75) = R575.00				
2. Tariff of Charges in respect of the attendance & employment of Special Appliances and Plant, to Fire and Rescue incidents.				
		2023/2024	2024/2025	
For the attendance and employment of a:				
2.1	High Rise Firefighting Appliance	R 1 497.03	R 1 682.81	12%
2.2	Water Foam Carrier	R 1 497.03	R 1 682.81	12%
2.3	Foam Tanker and / or Foam Service Vehicle	R 1 497.03	R 1 682.81	12%
2.4	Mobile Lighting Unit	R 1 497.03	R 1 682.81	12%

3. Tariff of Charges in respect of the employment of Outside Agencies at any incident.

For cost incurred because of the employment of an outside agency in:

3.1.	The mitigating of any incident	Cost incurred plus 15% of applicable charge		
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4. Tariff of charge in respect of Fire Prevention Service

4.1 For the attendance of staff at stage/theatre performances standby duty and the like:				
		2023/2024	2024/2025	
	First Hour	R 236.95	R 266.35	12%
	Per Hour thereafter	R 126.79	R 142.52	12%
4.2.	For schedule inspection, consultation, inspection of:			12%
	Safety exit & appliances in public buildings			12%
	First Hour	R 236.95	R 266.35	12%
	Per Hour thereafter	R 116.40	R 130.84	12%
4.3.	For monitoring of direct alarm link- per alarm p.m.	R 178.75	R 200.93	12%
4.4.	For a certified copy of a fire report-per copy	R 236.95	R 266.35	12%
4.5.	For issuing a certificate of Registration-per certificate	R 56.12	R 63.08	12%
4.6.	For issuing a certificate of competence-per certificate	R 592.37	R 665.88	12%
4.7.	For copy of a Fire Investigation Report-per copy	R 881.28	R 990.64	12%
4.8.	For the monitoring of non-emergency telephone Lines (after hours complaints etc.)-per line per annum per staff member	R 37 071.87	R 41 672.49	12%

5. Tariff of charges in respect of professional Fire Fighting and Rescue Training Course

		2023/2024	2024/2025	
	Per Candidate excluding course materials, accommodation etc.)	R 1 2591.47	R 14 154.07	12%
5.1.	Fire Fighter One	R 4 188.15	R 4 707.90	12%
5.2.	Fire Fighter Two	R 1 951.70	R 2 193.90	12%
5.3.	Hazmat 1st Responder (Awareness)	R 5 595.28	R 6 289.66	12%
5.4.	Hazmat 2nd Responder (Operations)	R 5 229.47	R 5 878.45	12%
5.6.	Fire Officer One	R 831.39	R 934.57	12%
5.7.	Handling of Chlorine Emergencies	R 831.39	R 934.57	12%
5.8.	Aerial Appliance (HHP)	R 1 677.34	R 1 885.50	12%
5.9.	Vehicle Rescue & Extrication	R 2 797.64	R 3 114.83	12%
5.10.	Elementary Firefighting, Fire Prevention (Disaster Management)	R 0.00	R 0.00	
		R 274.36	R 308.41	
5.11.	Pump Operator/Driver-Basic Course	R 1 679.85	R 1 888.32	12%
5.12.	Pump Operator/Driver-IFSAC Course	R 3 358.83	R 3 775.66	12%
5.13.	Re- Issue of Certificate per certificate	R 137.18	R 154.20	12%

6. Tariff of charge for the certification for the Fire Fighting 1&2 (Challenging)				
at 10% of Course Fee (Per Candidate)				
		2023/2024	2024/2025	
6.1.	Fire Fighter One	R 1 255.41	R 1411.20	12%
6.2.	Fire Fighter Two	R 415.70	R 467.29	12%
6.3.	Hazmat (Awareness)	R 193.30	R 217.29	12%
6.4.	Hazmat (Operations)	R 557.03	R 626.03	12%
6.5.	Fire Officer One	R 557.03	R 626.03	12%
6.6.	Instructor One	R 557.3	R 626.03	12%

7. Tariff of charges for the use of training Staff and Facilities				
		2023/2024	2024/2025	
7.1.	For the use of lecture rooms and facilities for the Purpose of seminars and symposia. Per lecture room per day	R 881.28	990.64	12%
7.2.	For the attendance of training personnel on training on training courses out of the area of jurisdiction. Per Lecture per day	R 592.37	R 665.88	12%
7.3.	For the attendance of training personnel accreditation for emergency service courses/challenges held in terms of regulations framed under IFSAC (International Fire-Accreditation Committee) - Per module per candidate	R 293.07	R 329.44	12%
7.4.	Re-issue of Certificates Cost plus 15% of applicable IFSAC tariff			

8. Tariff of charges in respect of Hose Charges				
		2023/2024	2024/2025	
8.1.	Testing, scrubbing and drying of hose per length	R 230.71	R 259.34	12%
8.2.	Testing, scrubbing and drying of Hazmat contaminated. Hose per length plus, cost of any consumables used in decontamination. plus 15% of cost of consumables	R 463.50	R 521.02	12%
8.3.	Seizing of Couplings to hose-per coupling	R 230.71	R 259.34	12%
8.4.	Repairing of hose-per length Plus material at cost plus 15%	R 230.71	R 259.34	12%

9. Tariff charges in respect of the attendance & employment of Special Appliances and plant to standby at sport & special events - For attendance and employment (per hour or part thereof)				
		2023/2024	2024/2025	
9.1.	High rise firefighting appliance	R 612.35	R 688.34	12%
9.2.	Water Carrier	R 306.71	R 344.17	12%
9.3.	Mobile Lighting unit	R 306.17	R 344.17	12%
9.4.	Major pump	R 612.35	R 688.34	12%
9.5.	Light pump	R 306.17	R344.17	12%

10. Tariff of Charges in respect of Various Miscellaneous Services and Hire Charges (per hour or part thereof 10.1 to 10.4)				
		2023/2024	2024/2025	
10.1	Hire of Portable Pump and related equipment	R 440.64	R 495.32	12%
10.2.	Hire of extension Ladder	R 440.64	R 495.32	12%
10.3.	Gaining of access/Lockouts	R 440.64	R 495.32	12%
10.4.	Miscellaneous services- per service	R 440.64	R 495.32	12%
10.5.	In addition to the above applicable charge, mileage for Out of the area calls, out are as follows- per km.			

Heavy duty vehicles	R 11.02	R 12.38	12%
Light duty vehicle	R 6.61	R 7.43	12%

Table 5: Proposed Tariff Structure for Emergency Services

****All tariffs reflected above are inclusive VAT.**

General comments:

- Any Fire, Rescue or other emergency incident involving property or activities of the uMgungundlovu District Municipality shall not attract charges.
- Any incident of a humanitarian nature or request for assistance of a humanitarian shall not attract Charges.

- Services performed in the assistance of Community project or departmental public relations exercise and displays shall not attract charges.

- The applicable attendance rate charge shall be calculated from the time that the first arriving appliance attends an incident until the last departing appliance leaves the scene at the conclusion of the incident, due allowances being made for breaking down or mishap or times occupied by relief personnel.

- When the time used to calculate the appliance attendance rate charge is less than 30-minute no charges shall be raised.

- Explanation of Terminology:
 - i. Hazmat stands for Hazardous Material and refers to incidents that involve materials and chemicals that require an extraordinary response and the use of specialist equipment to resolve the incident.
 - ii. Out of area means a response to any physical location that is outside the recognized area of jurisdiction of the uMgungundlovu District municipality.
 - iii. Structural means any building regardless of construction type or occupancy.
 - iv. Transport means mechanical transportation of any means.

- Whenever the Chief Fire Officer deems it necessary in the interests of public safety and to preserve life and property and as often as he/she thinks fit, arrangement shall be made for an inspection and/or attendance service to be provided in respect of premises used as public buildings or sports and recreational events.

- The following persons shall be jointly and severally liable to the Council for the charges payable in terms of this section.

- a) The owner/s of all property damaged or destroyed or under threat of damage or destruction by fire, accident, or other mishap in respect of which the service is rendered or the material are supplied.
- b) The person or owner or the owner's spouse, child, employee, or agent whose wrongful act or omission was the direct cause of the circumstances which make the rendering of the service necessary in the opinion of the Chief Fire Officer or any other officer acting with the relevant authority.
- c) The person responsible or whose alarm system was responsible for the summoning of the service where, in the opinion of the Chief Fire Officer, such summoning was unwarranted, or was no reasonable justification thereof.

2.6.3 Revenue Management

Section 64 of the Municipal Finance Management Act sets out the processes and procedures for revenue management, part of which addresses the issue of debt collection where 2(a) states that the accounting officer must for the purposes of subsection (1) take all reasonable steps to ensure that the municipality has effective revenue collection systems consistent with section 95 of the MFMA and the municipality's credit control and debt collection policy.

i. Revenue Raising Strategies

The drive to collect revenues was reintroduced since June 2018 and has been ongoing since, as a joint initiative between all departments. The municipality engaged the Development Bank of Southern Africa as a strategic partner to fund the Revenue Enhancement and Collection Strategy. The main purpose and principal strategic objective of the joint effort was to sustain and redefine the processes of revenue generation and protection; improve customer relations and collections; and effective debt management to address and reduce the risk of financial distress. The project was completed and the close out report was signed by the partners. The project has subsequently been rolled out to the entire District as part of the Financial Recovery Plan to address the unfunded budget position of the municipality.

The focus areas and key deliverables for the project are:

- a. Effective communication and Customer Care:
 - Creating a sound and effective communication strategy for our customers.
 - Enhancing levels of customer care and increasing responsiveness in addressing billing and other service delivery queries
 - Improving efficiency at our customer contact points
 - Improving accessibility of customer access points
 - Improving and intensifying the indigent customer registration drive
- b. Meter reading which involves:
 - Allocating additional human capital to improve efficiency and accuracy
 - Effective management of meter readers
 - Improving data collection and data integrity
 - Identifying and verifying meters
 - Locating meters
 - Replacing faulty meters
 - Integrating GIS with the billing system.
- c. Billing
 - Ensuring correct customer information / details
 - Ensuring accuracy of billing
 - Distributing statements and correspondence timeously

The consumption patterns observed during the 2023/24 adjustment budget are expected to increase due to the water projects anticipated to be commissioned towards the end of the 2023/24 financial year.

ii. Revenue Collection Strategies – Debt Management

The 2023/24 adjustment budget assumption is that the Municipality will collect 52% of its raised bills. The collection rate is assumed to remain constant in the 2024/25 financial year to maintain a conservative approach in expenditure appropriations.

With the implementation of the revenue raising strategies, the municipality anticipates increasing the quantity and quality of bills in the medium to long term. As part of producing the efforts to produce quality bills, the municipality has strengthened the functionality of customer care centres which has resulted in a drastic reduction in the number of account queries, the lower the number of queries, the higher the chances of the customer paying for their account. This will ultimately result in an increase in the revenue collection rate. The municipality has also strengthened the capacity to effectively implement the debt collection and credit control policy by getting meter attendants who deal with faulty meters timeously and ensure timeous disconnections and restrictions of meters in case of non-payment. This measure is positively contributing in improving the revenue collection rate. The municipality will continue to implement these measures during 2024/25.

DC22 uMgungundlovu - Supporting Table SC3 Monthly Budget Statement - aged debtors - M10 April											
Description	NT Code	Budget Year 2023/24									
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days
R thousands											
Debtors Age Analysis By Income Source											
Trade and Other Receivables from Exchange Transactions - Water	1200	70 031	7	50 623	(2)	23 282	22 032	121 554	528 789	816 315	695 654
Trade and Other Receivables from Exchange Transactions - Electricity	1300	-	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	10 992	1	6 917	1	3 632	3 282	19 516	63 353	107 694	89 784
Receivables from Exchange Transactions - Waste Management	1600	-	-	-	-	-	-	-	(124)	(124)	(124)
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	(533)	(533)	(533)
Interest on Arrear Debtor Accounts	1810	17 001	(6)	15 737	72	7 215	7 218	39 254	170 499	256 990	224 258
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-
Other	1900	(59)	73	230	(12)	(13)	135	(73)	3 609	3 891	3 647
Total By Income Source	2000	97 965	75	73 507	58	34 117	32 667	180 251	765 593	1 184 232	1 012 685
2022/23 - totals only											
Debtors Age Analysis By Customer Group											
Organs of State	2200	11 963	0	5 147	10	2 028	2 228	10 144	17 135	48 656	31 545
Commercial	2300	10 233	2	4 563	-	1 335	646	4 802	14 634	36 216	21 418
Households	2400	66 691	(40)	55 887	47	26 994	25 818	144 738	648 547	968 684	846 145
Other	2500	9 105	111	7 910	1	3 760	3 974	20 567	85 277	130 703	113 578
Total By Customer Group	2600	97 993	74	73 507	58	34 117	32 667	180 251	765 593	1 184 258	1 012 685

Table 6: Debtors Per Category as at 30 April 2024

The debt impairment assessment was conducted as at 30 June 2023 where the entire debtors' database was tested for impairment in line with GRAP 104. The results of the assessment were used as the basis for the analysis of qualifying debt write offs.

As at 30 April 2024 the debtors balance amounted to R 1.184 billion where a total of R 1.013 billion or 86% relates to amounts owing for more than 90 days.

2.7 OPERATING EXPENDITURE FRAMEWORK

The operating expenditure framework is estimated at R1.386 billion for the 2024/25 financial year. The overall increase is 14% when compared to the 2023/24 financial year.

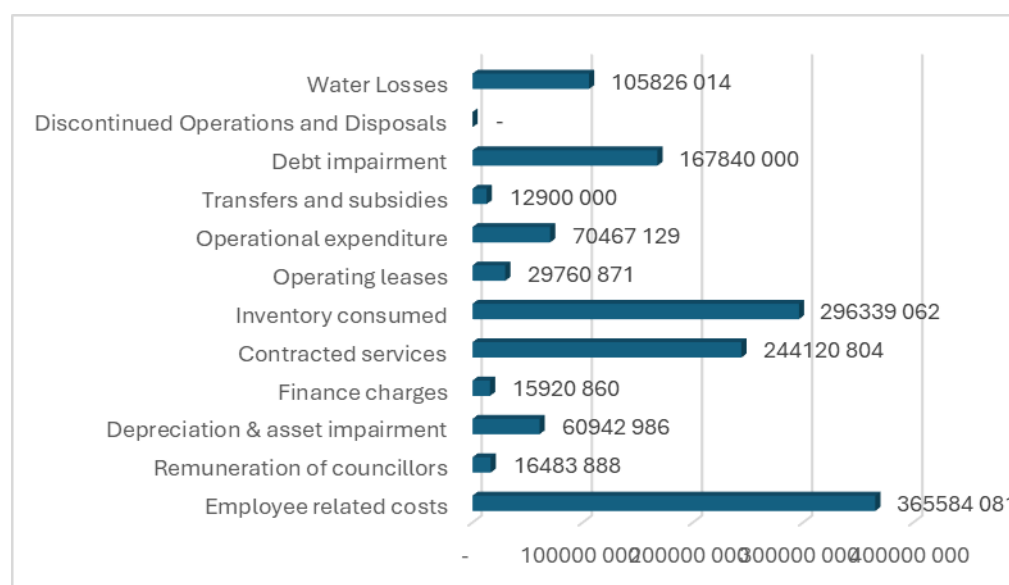
The call by National Government to control government spending remains relevant in the foreseeable future to ensure that the municipality remains sustainable and financially viable.

The breakdown of the operating expenditure budget is as follows:

Expenditure By Type	Adjusted Budget 2023/24	2024/25	2025/26	2026/27	% Change
Employee related costs	310 020 146	365 584 081	361 561 264	377 831 520	18%
Remuneration of councillors	17 164 344	16 483 888	17 006 955	17 772 268	-4%
Depreciation & asset impairment	58 096 269	60 942 986	63 746 364	66 614 950	5%
Finance charges	17 403 733	15 920 860	14 140 380	12 255 399	-9%
Contracted services	246 259 991	244 120 804	254 921 813	266 387 817	-1%
Inventory consumed	230 770 489	296 339 062	311 658 620	344 277 100	28%
Operating leases	24 422 072	29 760 871	27 921 309	27 417 390	22%
Operational expenditure	68 451 094	70 467 129	73 252 335	76 528 538	3%
Transfers and subsidies	12 138 842	12 900 000	209 200	218 614	6%
Debt impairment	160 000 000	167 840 000	175 560 640	183 460 869	5%
Discontinued Operations and Disposals	40 000	-	-	-	-100%
Inventory Gains and Losses	72 298	-	-	-	-100%
Water losses	76 274 442	105 826 014	110 694 011	115 675 241	39%
Total	1 221 113 719	1 386 185 696	1 410 672 890	1 488 439 705	14%

Table 5: Operating Expenditure by Type

Of the operating expenditure items, R 1.209 billion (87%) relates to cash items and R176.592 million (13%) relates to non-cash items.



Graph 2: Operating Expenditure Contributions

Of the total operating expenditure budget, R365.584 million (26%) has been allocated to Employee Related Costs and R 16.483 million (1%) to Remuneration of Councillors. The total costs of Salaries and Wages is R 382.068 (28%) which is within the National Treasury norm of 22–40%. Within the employee related costs is a non-cash item of R8.7 million which relates to movements in defined benefit obligations. This constitutes 2% of the employee related costs.

Inventory is budgeted at a total of R 402.165 million which constitutes 29% of the operating expenditure framework where R 394.259 million (98%) relates to basic service delivery; R 1.75 million (0.4%) relates to disaster materials and consumables; R 5 million (1%) relates to SMME support; and R 1.156 million (0.3%) relates to municipal running costs. Water inventory is split between inventory consumed of R 296.339 million which constitutes 21% of the operating expenditure; and the provision for water losses of R 105.826 million which constitutes 8% of operating expenditure and 29% of the bulk water purchases. The water losses estimate is based on historical trends.

Furthermore, within the inventory expenditure budget for basic service delivery is an allocation for the construction of VIP toilets at a total amount of R18.213 million (excluding VAT) where R 9.564 million will be funded by MIG and R 8.649 million will be funded by WSIG. This programme will be spread across the district.

Contracted services are budgeted at a total of R 244.121 million and contribute 18% to the total operating expenditure framework where R189.358 million (77%) relates to basic service delivery; R51.198 million (21%) relates to municipal running costs; and R3.565 million (1%) relates to special Programmes.

The total budget for operational expenditure is R100.078 million (7%) to operational costs and includes operating leases and operating expenses. The operating leases budget is at a total of R 29.761 million and constitutes 2% of the total operating budget where R 21.168 million (71%) relates to municipal running costs for customer care centres; fleet and equipment; and R8.593 million (29%) relates to emergency response vehicles (fire engines). The budget for operational costs is at a total of R 70.317 million and contributes 5% to the total operating expenditure framework where R 48.177 million (68%) relates to municipal running costs; R 15.962 million (23%) relates to basic service delivery; and R6.178 million (9%) relates to special programmes.

Transfers and subsidies are proposed at a total of R 12.9 million which constitutes 1% of the operating expenditure framework R 12.2 million (94%) relates to allocation to the uMgungundlovu Economic Development Agency to support the performance of its functions and activities; R 0.5 million (4%) relates to the allocation to contribute towards the Mandela Marathon; R 0.2 million (2%) relates to bursaries to support high achieving matriculants with registration fees.

Finance charges are proposed at a total of R15.921 million and constitutes 1% of the operating expenditure framework. This relates to the interest to be incurred on the outstanding balance for the Loan with the Development Bank of South Africa. The amount of is aligned to the loan amortisation schedule.

The depreciation costs are proposed at R60.943 million which constitutes 4% of the operating budget. This estimate considers the fixed asset balance and proposed additions of capital.

The debt impairment cost is a non-cash item and is proposed at a budget of R167.84 million which constitutes 12% of the operational budget. This estimate considers the outstanding debtors' balance.

Cost Containment Measures

The municipality has committed to monitoring and controlling operational expenditure by implementing its Cost Containment policy.

The user departments continuously monitor and review the contracts and service level agreements with service providers in an effort to ensure that value for money is realised.

As part of cost containment measures, and considering that water and sanitation are the core business of the municipality, where minor repairs to the meter and or reticulation are identified, they are fixed on the spot to reduce unaccounted for water and eventually reduce the cost of bulk water purchase.

Water Tanker Hire: This contract will continue to be closely monitored and reviewed to ensure that the municipality is able to recover the costs incurred in the form of service charges. Demand Analysis needs to continuously be performed by the user department which has to demonstrate the reduced need for the service delivery through water tankers in line with the commissioned and completed projects. The need for the water tanker hire should reflect a stagger down need in line with implemented projects and service interruptions.

Reticulation Repairs and Maintenance - Electric and Mechanical Contract: This contract will continue to be closely monitored to provide and supply services as per contract conditions and preapprovals are required for works to be done.

Wastewater Treatment Works Maintenance Contract: A revised cost tariff charge has been negotiated with the service provider. The reasonability of the fixed tariff is being verified and the contract addendum is to be concluded.

Vehicle Hire and VIP Vehicle Hire: Vehicle Hire for VIP's to be limited to upper limit as per Government gazette. Vehicle hire for staff for operational purposes to be controlled by line managers.

Employee Related Costs

All allowances, overtime and standby to be pre-approved and controlled by line managers. A limit of standby allowance and overtime has been set.

2.8 ALLOCATION AND GRANTS MADE BY THE MUNICIPALITY

Council resolved to transfer a total sum of R 12.2 million to the uMgungundlovu Development Agency for the 2024/2025 financial period.

2.9 COUNCILLORS' REMUNERATION AND EMPLOYEE RELATED COSTS

2.9.1 Councillors' Remuneration

REMUNERATION OF COUNCILLORS	2024/25	2025/26	2026/27
CHIEF WHIP: BASIC SALARY	885 714	926 457	968 147
CHIEF WHIP: CELLPHONE ALLOWANCE	49 589	51 870	54 204
CHIEF WHIP: TRAVEL ALLOWANCE	256 123	267 905	279 960
DEPUTY MAYOR: BASIC SALARY	586 517	613 497	641 104
DEPUTY MAYOR: MEDICAL AID	34 075	35 642	37 246
DEPUTY MAYOR: PENSION	87 978	92 025	96 166
DEPUTY MAYOR: TRAVEL ALLOWANCE	236 190	247 055	258 172
DEPUTY MAYOR: CELLPHONE ALLOWANCE	49 589	51 870	54 204
EXCO: BASIC SALARY	4 890 145	5 115 092	5 345 271
EXCO: CELLPHONE ALLOWANCE	297 535	311 222	325 227
EXCO: MEDICAL AID	92 816	97 085	101 454
EXCO: PENSION	207 464	217 007	226 772
EXCO: TRAVEL ALLOWANCE	123 857	129 555	135 385
MAYOR: BASIC SALARY	885 714	926 457	968 147
MAYOR: CELLPHONE ALLOWANCE	49 589	51 870	54 204
MAYOR: TRAVEL ALLOWANCE	396 518	414 758	433 422
OTHER COUNCILLORS: BASIC SALARY	4 559 511	4 769 249	4 983 865
OTHER COUNCILLORS: CELLPHONE ALLOWANCE	517 427	541 228	565 584
OTHER COUNCILLORS: MEDICAL AID	153 614	160 680	167 911
OTHER COUNCILLORS: OTHER ALLOWANCES	154 106	161 195	168 449
OTHER COUNCILLORS: PENSION	162 373	169 843	177 485
OTHER COUNCILLORS: TRAVEL ALLOWANCE	813 093	850 495	888 767
SPEAKER: BASIC SALARY	708 571	741 165	774 518
SPEAKER: CELLPHONE ALLOWANCE	49 589	51 870	54 204
SPEAKER: TRAVEL ALLOWANCE	236 190	247 055	258 172
	16 483 887	17 242 146	18 018 043

2.9.2 Employee Related Costs

DEPARTMENT	2024/25	2025/26	2026/27
COMMUNITY	112 664 560	117 847 130	123 150 251
CORPORATE	34 893 191	36 498 278	38 140 701
ECONOMIC DEVELOPMENT & PLANNING	19 758 491	19 255 282	20 121 770
FINANCE	53 058 901	55 499 611	57 997 093
OFFICE OF THE MUNICIPAL MANAGER	39 390 083	41 202 026	43 056 118
TECHNICAL	92 571 962	96 830 272	101 187 635
GROUP LIFE	4 356 000	4 556 376	4 761 413
POST RETIREMENT BENEFITS	8 752 000	9 154 592	9 566 549
	365 445 189	380 843 568	397 981 528

***Totals above include costs for Executive Management and Group Life and Defined Benefit Contributions*



2.9.3 Executive Management Costs

Designation	Basic	Cellphone Allowance	Travel Allowance	UIF	SALGBCL	Bonus	Annual	Skills Levy	Total
Municipal Manager	1 228 988	21 600	180 000	2 125	137	-	1 432 850	14 306	1 447 156
HOD: Budget & Treasury	983 700	21 600	180 000	2 125	137	-	1 187 562	11 637	1 199 199
EM: Corporate Services	907 460	21 600	180 000	2 125	137	-	1 111 322	10 875	1 122 197
EM: Technical Services	983 700	21 600	180 000	2 125	137	-	1 187 562	11 853	1 199 415
EM: Community Services	894 185	21 600	180 000	2 125	130	89 515	1 187 556	10 742	1 198 298
Executive Manager: EDP	983 700	21 600	180 000	2 125	137	-	1 187 562	11 637	1 199 199
Total	5 981 733	129 600	1 080 000	12 753	813	89 515	7 294 414	71 049	7 365 463

2.10 Monthly targets for revenue, expenditure and cash

DC22 uMgungundlovu - 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		46 409	46 409	46 409	46 409	46 409	46 409	46 409	46 409	46 409	46 409	46 409	46 409	556 913	585 596	611 948	
Service charges - Water		5 220	5 220	5 220	5 220	5 220	5 220	5 220	5 220	5 220	5 220	5 220	5 220	62 635	65 516	68 465	
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - Waste Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sale of Goods and Rendering of Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest earned from Receivables		6 163	6 163	6 163	6 163	6 163	6 163	6 163	6 163	6 163	6 163	6 163	6 163	73 959	77 361	80 842	
Interest earned from Current and Non Current Assets		2 143	2 143	2 143	2 143	2 143	2 143	2 143	2 143	2 143	2 143	2 143	2 143	25 713	26 896	28 106	
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rent on Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rental from Fixed Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Licence and permits		36	36	36	36	36	36	36	36	36	36	36	36	429	448	469	
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Non-Exchange Revenue																	
Property rates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Licences or permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer and subsidies - Operational		34 712	34 712	34 712	34 712	34 712	34 712	34 712	34 712	34 712	34 712	34 712	34 712	416 545	440 808	487 510	
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fuel Levy		30 038	30 038	30 038	30 038	30 038	30 038	30 038	30 038	30 038	30 038	30 038	30 038	360 452	374 669	390 824	
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenue (excluding capital transfers and contri)		124 720	124 720	124 720	124 720	124 720	124 720	124 720	124 720	124 720	124 720	124 720	124 720	1 496 646	1 571 294	1 668 163	
Expenditure																	
Employee related costs		30 465	30 465	30 465	30 465	30 465	30 465	30 465	30 465	30 465	30 465	30 465	30 465	365 584	380 989	398 133	
Remuneration of councillors		1 374	1 374	1 374	1 374	1 374	1 374	1 374	1 374	1 374	1 374	1 374	1 374	16 484	17 242	18 018	
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Inventory consumed		24 695	24 695	24 695	24 695	24 695	24 695	24 695	24 695	24 695	24 695	24 695	24 695	296 339	311 659	344 277	
Debt impairment		13 987	13 987	13 987	13 987	13 987	13 987	13 987	13 987	13 987	13 987	13 987	13 987	167 840	175 561	183 461	
Depreciation and amortisation		5 079	5 079	5 079	5 079	5 079	5 079	5 079	5 079	5 079	5 079	5 079	5 079	60 943	63 746	66 515	
Interest		1 327	1 327	1 327	1 327	1 327	1 327	1 327	1 327	1 327	1 327	1 327	1 327	15 921	14 140	12 255	
Contracted services		20 343	20 343	20 343	20 343	20 343	20 343	20 343	20 343	20 343	20 343	20 343	20 343	244 121	254 922	266 388	
Transfers and subsidies		1 075	1 075	1 075	1 075	1 075	1 075	1 075	1 075	1 075	1 075	1 075	1 075	12 900	209	219	
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Operational costs		8 340	8 340	8 340	8 340	8 340	8 340	8 340	8 340	8 340	8 340	8 340	8 340	100 078	101 003	103 767	
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Losses		8 819	8 819	8 819	8 819	8 819	8 819	8 819	8 819	8 819	8 819	8 819	8 819	105 826	110 694	115 675	
Total Expenditure		115 503	115 503	115 503	115 503	115 503	115 503	115 503	115 503	115 503	115 503	115 503	115 503	1 386 036	1 430 165	1 508 809	
Surplus/(Deficit)		9 217	9 217	9 217	9 217	9 217	9 217	9 217	9 217	9 217	9 217	9 217	9 217	110 610	141 129	159 355	
Transfers and subsidies - capital (monetary allocations)		16 355	16 355	16 355	16 355	16 355	16 355	16 355	16 355	16 355	16 355	16 355	16 355	196 255	203 340	180 884	
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) after capital transfers & contributions		25 572	25 572	25 572	25 572	25 572	25 572	25 572	25 572	25 572	25 572	25 572	25 572	306 865	344 470	340 238	
Income Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) after income tax		25 572	25 572	25 572	25 572	25 572	25 572	25 572	25 572	25 572	25 572	25 572	25 572	306 865	344 470	340 238	
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share of Surplus/Deficit attributable to Mironties		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) attributable to municipality		25 572	25 572	25 572	25 572	25 572	25 572	25 572	25 572	25 572	25 572	25 572	25 572	306 865	344 470	340 238	
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) for the year	1	25 572	25 572	25 572	25 572	25 572	25 572	25 572	25 572	25 572	25 572	25 572	25 572	306 865	344 470	340 238	

2.11 Annual Budgets and Service Delivery And Budget Implementation Plans Internal - Departments

The attached Service Delivery and Budget Implementation Plan is at aligned to the budget and will be approved by the Mayor within 28 days as per the Municipal Finance Management Act. Refer to Annexure A.

2.12 Annual Budgets and Service Delivery Agreements – Municipal Entities and Other External Mechanisms

Not applicable.

2.13 Contracts Having Future Budgetary Implications

The below contracts have budgetary implications beyond the 2024/25 financial year:

- Leasing of photocopying machines from Yurutek Business Solutions where the contract period ends on 30 April 2025.
- Leasing of fleet vehicles from Fleet Horizon Solutions Investments where the contract period ends on 30 June 2025.
- Leasing of warehouse space from Proudfoot Investments where the contract period ends on 31 August 2025.

2.14 Capital Expenditure Framework

2.14.1 Overview of Water and Sanitation Backlog

The Water Services Development Plan (WSDP)

The WSDP has been reviewed and adopted by Council on 23 May 2024. The review process included a vigorous public participation process in line with the IDP. The current WSDP and documents are available on the DWS online platform as well as the municipal website. The WSDP is currently reviewed for the next 5 year period ending in 2029.

Water and Sanitation Institutions

Umgeni Water Board provides uMgungundlovu District Municipality with bulk water and maintains some of the wastewater treatment plans in UMDM. uMgungundlovu District Municipality provides portable drinking water to six of the local municipalities (uMshwathi, Richmond, Mkhambathini, Mpofana, uMngeni and Impendle) and the seventh municipality within the district (Msunduzi) is also a Water Service Authority servicing Pietermaritzburg.

Water and Sanitation

UMgungundlovu District Municipality is a Water Services Authority, servicing the uMshwathi, Mkhambathini, Mpofana, Impendle, uMngeni and Richmond Municipalities on water and sanitation services. The District Municipality uses grant funding, mainly WSIG and MIG to implement water and sanitation projects.

The Municipality provides varying levels of services, i.e. bulk water supply from UW, , BHs, springs or via water tankers.

Water provision backlog is about 14% (Demand 117993 Baseline 101 797 Backlog 16196)

The sanitation provision backlog is about 24%. (Demand 117993 Baseline 89914 Backlog 28079)

The bulk water service provider is the Umgeni-Uthukela Water (UUW) Board. UMDM also has a long-term operations and maintenance contract for the Wastewater Treatment Works (WWTW) with UW.

Launch of The Water And Sanitation Services Policy On Privately Owned Land

In the 2019 Court Case of Mshengu and others vs uMsunduzi LM, uMshwathi LM, uMgungundlovu DM and others, including Department of Water and Sanitation (DWS) as the sixth responded. The land rights-based NGO Association for Rural Advancement (AFRA) representing Mshengu and Ngema took the uMgungundlovu DM and others to court for failing to provide basic services to farm dwellers. The court judgement declared that the failure by uMgungundlovu, uMsunduzi LM, uMshwathi LM to provide farm occupiers, farm dwellers and labour tenants who are living in there are of jurisdiction with access to basic sanitation, sufficient water and collection of refuse is inconsistent with the Constitution of the Republic of South Africa particularly Section 9, 10, 24, 27(1)(b), 33, 152, 153, 195 and 237.

In response to this the uMgungundlovu District Municipality was instructed to give monthly reports to the high court regarding the provision of services to farm dwellers with uMgungundlovu District Municipality, since then the Municipality has provided Improved Ventilated Pit Latrines (VIP) to +/- 340 units to families residing in privately owned land. The Municipality continues to plan and provide water and sanitation to the farm dwellers.

Furthermore, in response to the abovementioned court case the Department of Water and Sanitation developed the Water and Sanitation Services Policy on Privately Owned Land, uMgungundlovu District Municipality was part on in depth inputs and consultations on this policy for 90 days from December 2022 to February 2023. The policy was then granted endorsement by the Cabinet. This significant achievement marked a milestone in the collective efforts to ensure that all citizens, regardless of their place of residence, have access to adequate water and sanitation services.

To commemorate the approval of this policy and formally mark its implementation, the Department of Water and Sanitation and uMgungundlovu District Municipality scheduled a launch event on the 1st of March 2024 at Cool Air Sportsground, Ward 7 uMshwathi Local Municipality.

As a preparation for this event uMgungundlovu activated its MOU (Memorandum of Understanding) with SASSA and provided 53 elderly people living on farms within uMshwathi LM with Grant in Aid (GIA) services. The Municipality together with SASSA have committed to roll out these services to all farm dwelling communities within the whole District.

To showcase the Municipalities efforts towards provision of services to farms dwellers, there a site visit to Windyhill Farm where the Municipality has provided a borehole scheme and VIP units to 88 families residing in the farm.

The Community had the opportunity to listen and speak to the Minister of Water and Sanitation Mr Senzo Mchunu who was accompanied by CoGTA Minister MEC Mrs Bongzi Sithole-Moloyi, uMgungundlovu District Mayor Mr. Mzi Zuma, uMsunduzi Local Municipality Mayor Mr Mzi Thebola, uMshwathi Local Municipality Mayor Mr Mandla Zondi, Amakhosi, Officials from various Municipalities and Government Departments.

Whilst the Municipality is doing its best to provide services to the community living in privately owned land, it still faces budgetary constraints to provide these services with speed.

2.14.2 Capital Expenditure Budget

The three-year capital expenditure budget for the medium-term commencing in 2024/25 will amount to R 539.649 million where R 524.469 million will be funded by grants and R 15.607 million will be internally funded.

The 2024/25 capital expenditure budget is at a total of R 184.263 million (excluding VAT) of which R170.656 million (93%) of the capital expenditure relates to expenditure funded by capital grants and 7R 13.607 (7%) will be funded internally.

The capital budget has increased by 2% when compared to the previous financial year and constitutes 12% of the total 2024/25 expenditure framework which falls within the norm of 10 – 20% as recommended by National Treasury.

The capital programme constitutes the following:

- **Water projects:** R 170.657 million in 2024/25 which constitutes 93% of the total annual capital budget.
- **IT Equipment:** R5.839 million in 2024/25 which constitutes 3% of the total annual capital budget.
- **Transport Assets:** R 3 million for the acquisition of water tankers which constitute 2% of the annual capital budget.
- **Buildings:** R 2.668 million for the Disaster Management Centre which constitutes 1% of the total annual capital budget.
- **Machinery and Equipment:** R 1.3 million for the acquisition of an additional TLB which constitutes 1% of the annual capital budget.
- **Furniture and fittings:** R 0.8 million which constitute 0.4% of the annual capital budget.

Grant funding is ring-fenced by the municipality until such a time that the conditions of the grant are met. This is achieved through the transfer of all receipts of capital funding to a Projects Bank Account. This enables the distinction, control the management of such funds.

Furthermore, given that such grants are to be spent within the relevant fiscal year any identified surplus funds (after taking into account projected cashflows) are invested for short periods at a time (three to five months).

A break-down of the **MIG funded** capital expenditure programme per project is detailed below.

PROJECT NAME	2023/2024	2024/2025	2025/2026	2026/2027
Manyavu Water	323,355			
Asbestos Cement Pipe Replacement - Camperdown	-	-	12,036,377	-
Asbestos Cement Pipe Replacement in Rosetta	-	-	21,185,368	-
Mpolweni, Thokozani and Claridge Ext. Water Supply Phase 2	49,578,581	30,244,803	-	-

Community water supply to Trustfeed Phase 2 (AFA) MIS 457197	1,184,376	3,428,196	-	-
KwaMathwanya Water Reticulation Scheme (Mpofana LM) Project	743,817	1,978,994	-	-
KwaMathwanya Water Reticulation Scheme (Mpofana LM) Phase 2	-	2,400,252	-	-
Mbava and Mpethu Swayimane Water Supply Scheme Extension- Phase 3	111,428	4,333,913	14,032,747	45,819,278
Nkanyezini Community Water Supply Scheme Phase 2	33,607,857	30,646,438	-	-
Nhlambamasoka/Nhlathimbe and Khathikhathi Water Project		9,375,225	38,354,253	47,872,278
Community water supply to Trustfeed Phase 3	-	9,941,162	9,355,829	-
TOTAL	85,549,414	92,348,982	94,964,574	93,691,557

A break-down of the **WSIG funded** capital expenditure programme per project is detailed below.

PROJECT NAME	2023/24	2024/25	2025/26	2026/27
EXTENSION OF EFAYE & MT ELIAS RETICULATION WITHIN WARD 3	10,843,952	5,217,391	-	-
EXTENSION OF KWAZIBUSELE & MBULWANE RETICULATION WITHIN WARD 4	17,172,168	-	-	-
MPOFANA BULK CONNECTION AND BRUINVILLE/PHUMLAS UPGRADE	14,218,789	9,440,933	1,131,038	-
NADI RETICULATION PHASE 1	4,141,198	29,023,611	10,107,600	-
NADI RETICULATION PHASE 2	3,843,906	13,651,311	25,680,951	-
HOWICK PHASE 2 AC PIPELINE REPLACEMENT PROGRAMME	4,976,401	5,602,280	31,776,063	-
BOREHOLE & SPRING PROTECTION PROGRAMME PHASE 1	-	11,024,474	9,565,217	10,154,909
UMSHWATHI PHASE 2 AC PIPELINE REPLACEMENT PROGRAMME	-	-	-	55,001,060
NYAMVUBU COMMUNITY SUPPLY SCHEME	-	4,347,826	8,695,652	13,043,478
TOTAL	78,826,087	78,307,826	86,956,522	78,199,447

A break-down of the **internally funded** capital expenditure programme per project is detailed below.

DESCRIPTION	Adjusted Budget 2023/24	Draft Budget 2024/25	Draft Budget 2025/26	Draft Budget 2026/27
Construction of a Disaster Management Centre	697,056	2,500,000	-	-
Infrastructure - Housing Projects	2,000,000	-	-	-
Outsourced	4,180,179	-	-	-
Municipal Offices	167,800	167,800	-	-
Customer Care Centre IT Upgrade	-	3,000,000	-	-
Furniture and Office Equipment	554,480	-	-	-
Machinery and Equipment	1,050,000	-	-	-
Computer Equipment	65,000	-	-	-
IT LAN Upgrade	1,365,217	1,039,216	1,573,140	-
IT Electronic Signature	-	1,200,000	-	-
IT Computer Equipment Hardware	2,913,880	600,000	-	-
Furniture and Office Equipment	540,546	800,000	-	-
Machinery and Equipment	1,300,000	1,300,000	-	-
Computer Equipment	380,000	-	-	-
Communications	30,000	-	-	-
Water Tankers	-	3,000,000	-	-
Static Tanks / Water Storage	189,540	-	-	-
TOTAL	15,433,698	13,607,016	1,573,140	-

Assets and Infrastructure and Repairs and Maintenance

The Municipality currently has no renewal plan based on the conducted assets conditional assessment as at 30 June 2023. A service provider has been appointed to conduct planned and interval-based maintenance. The Infrastructure Operations and Maintenance Policy is in place.

	2024/25	2025/26	2026/27
Salary costs	74,254,199	77,669,892	81,165,037
Contracted Services	36,726,498	38,415,917	40,144,633
<i>Infrastructure and Planning</i>	20,392,215	21,330,257	22,290,118
<i>Sewerage Services</i>	13,912,000	14,551,952	15,206,790
<i>Maintenance of Buildings and facilities</i>	1,200,000	1,255,200	1,311,684

Maintenance of Vehicles	1,049,000	1,097,254	1,146,630
Maintenance of Equipment	173,283	181,254	189,410
TLB Hire	1,500,000	1,569,000	1,639,605
Inventory	10,245,000	10,716,270	11,198,502
	122,725,696	128,371,078	134,147,777
Fixed Asset Register as at 29 Feb 2024	1,802,600,368	1,885,519,985	1,970,368,384
	7%	7%	7%

The municipality has set aside 7% of the 2024/25 budget for repairs and maintenance of assets, considering that some of the projects include upgrades of existing infrastructure.

2.15 LEGISLATION COMPLIANCE STATUS

Compliance with the MFMA implementation requirements have been substantially adhered to in terms of the following activities:

In year reporting and Statutory returns

Reporting to National and Provincial Treasuries was complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the Municipality's website. The municipality has also submitted all statutory returns as per MFMA and mSCOA.

Internship programme

The Municipality is participating in the Municipal Financial Management Internship Programme. The programme is intended to empower graduates with on-the-job training and build capacity for the local government sector. The municipality currently has in its employ a total of five interns.

Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA with the Chief Financial Officer recruitment process currently pending. The position is, however, occupied on a short-term basis until such recruitment process is concluded.

Service Delivery and Implementation Plan

The detailed outcome based SDBIP document is at a draft stage and will be finalized in line with the approval of the 2024/25 MTREF in May 2024.

Annual Report

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



MFMA Training

Various managers and staff have completed the MFMA training, and the training programme continues in line with the skills development plan. The managers who have not fully met the minimum competency requirements have signed performance agreement which includes milestones for the completion of the outstanding unit standards.

Audit Outcome

The municipality has maintained an unqualified audit opinion on the Annual Financial Statements in the 2022/2023 financial year.

The municipality's audit opinion on the Annual Performance Report improved to an unqualified audit opinion in the 2022/2023 financial year.

The municipality seeks to improve the audit opinion on both the Annual Financial Statements and the Annual Performance Report in the current financial year.

2.16 OTHER SUPPORTING DOCUMENTS

2.16.1 INVESTMENTS

Investments Register 2022/23											
Institution	Period of Investment	Type of Investment	Interest Rate	Investment date	Maturity date	Deposit Total	Opening Balance 01/07/2023	Capital Investment	Interest earned	Withdrawal	Closing Balance 30/06/2023
FNB	12 months	Fixed deposit	5.25%	07/09/2021	07/09/2022	3 750 000	3 910 196.92	-	36 678	-	3 946 875
Standard Bank	3 months	Fixed deposit	6.60%	27/07/2022	26/10/2022	70 000 000	-	70 000 000	1 151 836	-	71 164 493
ABSA	3 months	Fixed deposit	8.54%	09/02/2023	08/05/2023	110 000 000	-	110 000 000	2 316 329	-	112 316 329
ABSA	8 days	Fixed deposit	6.00%	09/05/2023	16/05/2023	112 316 329	-	112 316 329	147 704	-	112 464 032
						296 066 328.77	3 910 196.92	292 316 328.77	3 652 546	-	299 891 729
FNB Bank Balances	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	14 982 122	N/A	N/A
ABSA Bank Balances	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	123	N/A	N/A
									Total Interest Earned	18 634 790.82	

Investments Register 2022/24 as at 31											
Institution	Period of Investment	Type of Investment	Interest Rate	Investment date	Maturity date	Deposit Total	Opening Balance 01/07/2024	Capital Investment	Interest earned	Withdrawal	Closing Balance 30/04/2024
ABSA Bank	4 months	Fixed deposit	9.57%	03/08/2023	02/01/2024	200 000 000	-	200 000 000	7 970 630	-207 970 630	-
Standard Bank	5 months	Fixed deposit	9.35%	22/12/2023	22/04/2024	200 000 000	-	200 000 000	6 250 411	-206 250 411	-
						400 000 000	-	400 000 000	14 221 041	-414 221 041	-
FNB Bank Balances	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	15 474 705	N/A	N/A
									Total Interest Earned	29 695 746.16	

Interest Income Estimate	Investments	Bank Balances	Total over 2 years	Average
Interest Earned 2022/23	3 652 546	14 982 245	18 634 791	9 317 395
Interest Earned 2023/24	14 221 041	18 569 646	32 790 687	16 395 344
	17 873 587	33 551 891	51 425 478	25 712 739

The municipality earned interest income of R 18.6 million in 2022/23 and R32.8 million as at 30 April 2024. This interest relates to fixed deposits of periods between three (3) to five (5) months depending on cash flow requirements as well as earnings from positive bank balances. Fixed deposits have been made at amounts ranging between R170 million to R 200 million at a time. The municipality anticipates that it will continue to maintain positive bank balances and make short term deposits in the 2024/25 year with the average over the last two financial years applied to arrive at the budget estimate.

2.16.2 LONG TERM LOANS

As at 30 April 2024, the loan book was at a total balance of R 153.557 million with a fixed interest rate of 10.889%. The 2024/25 budget estimate for the interest expense at a total of R 15.9 million and the capital repayment at a total of R 15.2 million is in line with the amortization schedule.

An extract of the loan amortization schedule is detailed below.

Loan 61007265	Interest Rate	Posting Date	Value Date	Capital	Interest Accrued	Interest Capitalized	Total	Balance Incl. Accruals	Balance Excl. Accruals
Interest Capitalisation		31.01.2023	31.01.2023	0,00	-9.397.806,07	9.397.806,07	0,00	178.760.752,75	178.760.752,75
Repayment Due		31.01.2023	31.01.2023	-6.143.039,36	0,00	-9.397.806,07	-15.540.845,43	163.219.907,32	163.219.907,32
Interest Accrual		28.02.2023	28.02.2023	0,00	1.363.409,44	0,00	1.363.409,44	164.583.316,76	163.219.907,32
Interest Accrual		31.03.2023	31.03.2023	0,00	1.509.489,00	0,00	1.509.489,00	166.092.805,76	163.219.907,32
Interest Accrual		30.04.2023	30.04.2023	0,00	1.460.795,81	0,00	1.460.795,81	167.553.601,57	163.219.907,32
Interest Accrual		31.05.2023	31.05.2023	0,00	1.509.489,00	0,00	1.509.489,00	169.063.090,57	163.219.907,32
Interest Accrual		30.06.2023	30.06.2023	0,00	1.460.795,81	0,00	1.460.795,81	170.523.886,38	163.219.907,32
Interest Accrual		31.07.2023	31.07.2023	0,00	1.509.489,00	0,00	1.509.489,00	172.033.375,38	163.219.907,32
Interest Capitalisation		31.07.2023	31.07.2023	0,00	-8.813.468,06	8.813.468,06	0,00	172.033.375,38	172.033.375,38
Repayment Due		31.07.2023	31.07.2023	-6.727.377,37	0,00	-8.813.468,06	-15.540.845,43	156.492.529,95	156.492.529,95
Interest Accrual		31.08.2023	31.08.2023	0,00	1.447.272,92	0,00	1.447.272,92	157.939.802,87	156.492.529,95
Interest Accrual		30.09.2023	30.09.2023	0,00	1.400.586,71	0,00	1.400.586,71	159.340.389,58	156.492.529,95
Interest Accrual		31.10.2023	31.10.2023	0,00	1.447.272,93	0,00	1.447.272,93	160.787.662,51	156.492.529,95
Interest Accrual		30.11.2023	30.11.2023	0,00	1.400.586,71	0,00	1.400.586,71	162.188.249,22	156.492.529,95
Interest Accrual		31.12.2023	31.12.2023	0,00	1.447.272,93	0,00	1.447.272,93	163.635.522,15	156.492.529,95
Interest Accrual		31.01.2024	31.01.2024	0,00	1.447.272,93	0,00	1.447.272,93	165.082.795,08	156.492.529,95
Interest Capitalisation		31.01.2024	31.01.2024	0,00	-6.590.265,13	6.590.265,13	0,00	165.082.795,08	165.082.795,08
Repayment Due		31.01.2024	31.01.2024	-6.950.580,30	0,00	-6.590.265,13	-15.540.845,43	149.541.949,65	149.541.949,65
Interest Accrual		29.02.2024	29.02.2024	0,00	1.293.767,31	0,00	1.293.767,31	150.835.716,96	149.541.949,65
Interest Accrual		31.03.2024	31.03.2024	0,00	1.382.992,63	0,00	1.382.992,63	152.218.709,59	149.541.949,65
Interest Accrual		30.04.2024	30.04.2024	0,00	1.338.379,96	0,00	1.338.379,96	153.557.089,55	149.541.949,65
Interest Accrual		31.05.2024	31.05.2024	0,00	1.382.992,63	0,00	1.382.992,63	154.940.082,18	149.541.949,65
Interest Accrual		30.06.2024	30.06.2024	0,00	1.338.379,96	0,00	1.338.379,96	156.278.462,14	149.541.949,65
Interest Accrual		31.07.2024	31.07.2024	0,00	1.382.992,63	0,00	1.382.992,63	157.661.454,77	149.541.949,65
Interest Capitalisation		31.07.2024	31.07.2024	0,00	-8.119.505,12	8.119.505,12	0,00	157.661.454,77	157.661.454,77
Repayment Due		31.07.2024	31.07.2024	-7.421.340,31	0,00	-8.119.505,12	-15.540.845,43	142.120.609,34	142.120.609,34
Interest Accrual		31.08.2024	31.08.2024	0,00	1.314.358,66	0,00	1.314.358,66	143.434.968,00	142.120.609,34
Interest Accrual		30.09.2024	30.09.2024	0,00	1.271.959,98	0,00	1.271.959,98	144.706.927,98	142.120.609,34
Interest Accrual		31.10.2024	31.10.2024	0,00	1.314.358,65	0,00	1.314.358,65	146.021.286,63	142.120.609,34
Interest Accrual		30.11.2024	30.11.2024	0,00	1.271.959,98	0,00	1.271.959,98	147.293.246,61	142.120.609,34
Interest Accrual		31.12.2024	31.12.2024	0,00	1.314.358,65	0,00	1.314.358,65	148.607.605,26	142.120.609,34
Interest Accrual		31.01.2025	31.01.2025	0,00	1.314.358,65	0,00	1.314.358,65	149.921.963,91	142.120.609,34
Interest Capitalisation		31.01.2025	31.01.2025	0,00	-7.801.354,57	7.801.354,57	0,00	149.921.963,91	149.921.963,91

Loan 61007265	Interest Rate	Posting Date	Value Date	Capital	Interest Accrued	Interest Capitalized	Total	Balance Incl. Accruals	Balance Excl. Accruals
Repayment Due		31.01.2025	31.01.2025	-7.739.490,86	0,00	-7.801.354,57	-15.540.845,43	134.381.118,48	134.381.118,48
Interest Accrual		28.02.2025	28.02.2025	0,00	1.122.513,09	0,00	1.122.513,09	135.503.631,57	134.381.118,48
Interest Accrual		31.03.2025	31.03.2025	0,00	1.242.782,36	0,00	1.242.782,36	136.746.413,93	134.381.118,48
Interest Accrual		30.04.2025	30.04.2025	0,00	1.202.692,60	0,00	1.202.692,60	137.949.106,53	134.381.118,48
Interest Accrual		31.05.2025	31.05.2025	0,00	1.242.782,36	0,00	1.242.782,36	139.191.888,89	134.381.118,48
Interest Accrual		30.06.2025	30.06.2025	0,00	1.202.692,60	0,00	1.202.692,60	140.394.581,49	134.381.118,48
Interest Accrual		31.07.2025	31.07.2025	0,00	1.242.782,36	0,00	1.242.782,36	141.637.363,85	134.381.118,48

2.16.3 CONDITIONAL GRANTS

As at the 30 April 2024, a total of R 211.546 million of conditional grant allocations were received since 01 July 2023 whilst an additional R 20.530 million, which was received in the previous financial years, was available at the beginning of the period reduced by the repayment of R 4.18 million for the Disaster Recovery Grant. The operating and capital grant utilisation of allocations received to date were at 47% and 77%, respectively. The overall conditional grant utilisation is at 74% of available funds with an unspent value of R 59.848 million.

Description	Opening Balance	Receipts	Roll Over Repayments	Total Available	Expenditure	Balance	Percentage
Operating Grants							
Accelerated Water Intervention Grant	12 339	-		12 339	-	12 339	0.00
Camperdown WWW	4 000 095	-		4 000 095	-	4 000 095	0.00
Expanded Public Works Programme Grant	-	2 794 000		2 794 000	2 444 155	349 845	87.48
Finance Management Grant	-	1 200 000		1 200 000	645 459	554 541	53.79
Geospatial Grant	35	-		35	-	35	0.00
IDP Spatial Development Grant	335 275	-		335 275	-	335 275	0.00
Municipal Infrastructure Grant	-	15 652 174		15 652 174	7 788 529	7 863 645	49.76
Public Transport Plan Grant	308 817	-		308 817	-	308 817	0.00
Rasset & DGDS Grant	126 989	-		126 989	-	126 989	0.00
Rural Roads Asset Management Grant	90	2 718 000		2 718 090	2 038 456	679 634	75.00
Spatial Development Framework Grant	15 255	-		15 255	-	15 255	0.00
South African National Biodiversity Institute	-	150 000		150 000	-	150 000	0.00
Total Operating Grants	4 798 895	22 514 174	-	27 313 069	12 916 599	14 396 470	47.29
Capital Grants							
Accelerated Sanitation Intervention Grant	(0)	-		(0)	-	(0)	0.00
Municipal Infrastructure Grant	-	98 381 826		98 381 826	106 007 217	(7 625 391)	107.75
ORIO Grant	11 550 860	-		11 550 860	-	11 550 860	0.00
Water Services Infrastructure Grant	208	90 650 000		90 650 208	49 124 210	41 525 998	54.19
Disaster Relief Grant	4 180 179	-	4 180 000	179	-	179	0.00
Total Capital Grants	15 731 246	189 031 826	4 180 000	200 583 072	155 131 427	45 451 646	77.34
Total Grants	20 530 141	211 546 000	4 180 000	227 896 141	168 048 026	59 848 115	73.74

Capital grants are anticipated to be spent in full by the end of the financial year and are fully committed as the projects are underway.

A total amount of R 11.3 million relates to the unspent portion of the operational grants. The municipality is confident that it will fully spend the conditional operating grants received in the current financial year. The municipality has requested assistance from Provincial Government in establishing the funding, conditions and expenditures of the grants that have historically been reflected on the Grant Register with no movements in such balances.

The municipality ensures that all grant funding received is cash-backed until the conditions of such grants are met.

2.16.3 CASH COVERAGE

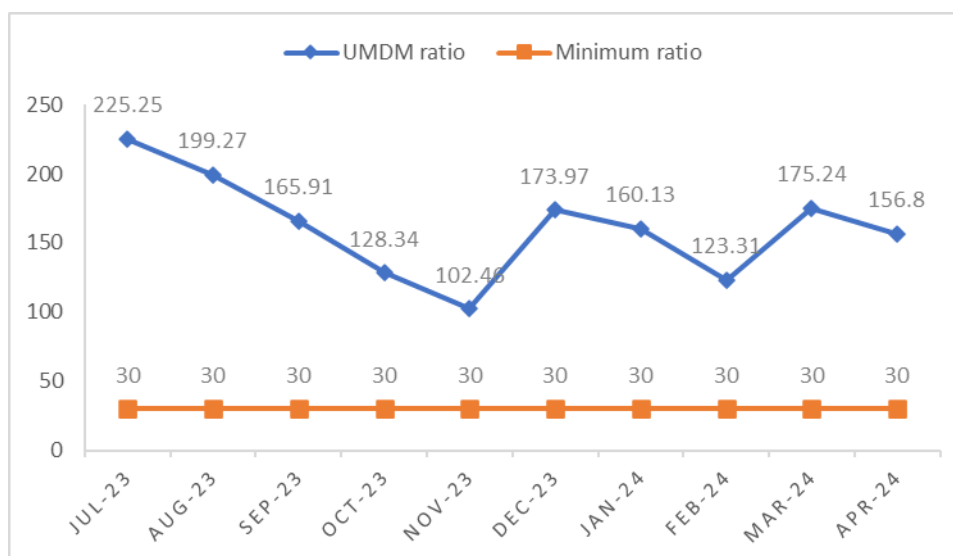
The cash in bank as at 30 April 2024 amounted to R 436.174 million.

The municipality held an investment of R 200 million with Standard Bank for 4 months which matured on 22 April 2024 at an interest rate of 9.35%. An amount of R 1.025 million was accrued in investment/interest income in the current month resulting in total of R 6.250 million interest earned on maturity.

The cash coverage ratio as at 30 April 2024 is 5.23 based on average of R 72 million per month fixed operating expenditure. This indicates that the municipality as at 30 April 2024 has enough cash to run its operation for 156.8 days based on a 30-day calendar month. The norm as set out in the uniform financial ratios and norms circular 71 is 30 to 90 days.



Account Name	Market value at the beginning of the month	Change in market value	Market value at the end of the month
Main Account	204 122 611	-183 225 505	20 897 106
Salaries Account	1 657 150	70 911 196	72 568 346
Water Services Account	52 537 929	-4 559 098	47 978 831
NSTD Call Account	10 324 437	277 558 181	287 882 618
Mandela Race Account	886 994	3 855	890 849
Mandela ABSA	1 224 181	-321	1 223 861
Corporate Cheque Account	4 705 647	26 712	4 732 359
Public Sector Cheque Account	-209	209	-
Total Cash Balances	275 458 741	166 587 542	436 173 970



The average debtors' collection rate for the audited 2022/23 financial year is 52.1%. Positive cash coverage has been maintained in the 2023/24 financial year despite the slow recovery of the economic climate further depressed by the impact of load shedding.

The municipality has maintained a healthy cash coverage in the current financial year. This can be attributed to the continued efforts directed at cash management and the enforcement of the Credit Control and Debt Collection Policy.

2.17 SOCIAL AND ECONOMIC REDRESS THROUGH INDIGENT SUPPORT AND INDIGENT MANAGEMENT

Indigent Policy

The Municipality is a Water Services Authority and provides free basic services, that are part of the municipality's mandate, to its registered Indigents. The Indigent register is continually updated, and the municipality receives applications. Currently, the Indigent Register has 9 719 registered indigent households.

The Indigent policy is under review and will be adopted in May 2024 for implementation. Through the District Wide Financial Model, a proposal to standardise indigent support is

recommended. The developed strategy for updating the indigent customer register continues to be implemented.

Indigent Support

Indigents are defined as those people, due to several factors, who are unable to make monetary contribution towards basic services, no matter how small the amounts seem to be. Subsidies apply to households and not individuals. For a household to qualify as indigent, a household must comply with the following requirements:

- The applicant must be a resident of the uMgungundlovu District Municipality.
- Have a valid South African Identity Document.
- The applicant must be eighteen (18) years of age and above.
- The applicant must be the owner or tenant who receives municipal services and is registered as an account holder on the municipal financial system.
- All households that are child headed.
- Such applicants shall be assisted by the ward councilor and all documentary proof shall serve as evidence prior to qualification.
- Maximum combined household monthly income must not exceed R 5000.00

The Municipality has signed an MOU with SASSA confirming that a customer who is a recipient of the SASSA grant and is a customer of uMgungundlovu will be automatically included in the indigent register.

Any customer who has been confirmed as an indigent customer of any local municipality and is a customer of uMgungundlovu DM shall be included on the indigent register. The Municipality continues to encourage Local Municipalities to be alignment with the districts qualifying criteria, so as to ensure a targeted approach to a one register for uMgungundlovu District .

The Municipality had a total of 9321 customers in the indigent register at the time of the budget computations. Given that the indigent registration drive is still ongoing, we anticipate that this number will continue to grow. The estimate will be re-assessed during the adjustment budget stage.

2.18.3 Financial Viability / Sustainability

The table below reflects the municipality’s financial ratios.

FINANCIAL HEALTH ASSESSMENT			
		30 June 2023	30 June 2022
Revenue Management			
1.	Revenue from exchange transactions	R 530 044 460	R 347 226 826
2.	Debt collection rate	52%	55%
3.	Debt-collection period (after impairment)	44 days	114 days
4.	Debt impairment provision as a percentage of accounts receivable	93%	84%

FINANCIAL HEALTH ASSESSMENT			
		30 June 2023	30 June 2022
	<ul style="list-style-type: none"> Amount of debt impairment provision Number of accounts receivable 	R 858 075 050 R 921 226 399	R 564 358 626 R 672 195 850
5	Percentage distribution losses - water	29.5%	35.49%
	<ul style="list-style-type: none"> Number of units generated / purchased Number of units sold to consumers 	28 057 394 kL 19 773 560 kL	28 124 627 kL 18 142 129 kL
	Expenditure Management		
6.	Creditor-payment period	129 days	38 days
7.	Employee related costs	R287 766 446	R289 538 901
8.	Remuneration of Councillors and Board Members	R 15 542 762	R11 673 350
9.	Percentage of remuneration (employees and councillors) to total expenditure	29%	23%
10.	Percentage of capital expenditure to total expenditure	17%	17%
Asset and Liability Management			
11.	Amount of the surplus / (deficit) for the year	R 318 430 322	R 252 999 569
12.	Amount of the net current assets / (liability) position	(R 73 303 658)	R 31 032 552
13.	Current Ratio (current assets to current liabilities)	1.09: 1	0.73: 1
14.	Amount of the net asset / (liability) position	R 2055 050 908	R 2 373 854 856
15.	Debt to Revenue	39.9%	37%
16.	Solvency ratio	48%	39%
Cash Management			
17.	Amount of year-end bank balance (cash and cash equivalents) / (bank overdraft)	R 333 152 099	R 84 539 751
18.	Amount of net cash in / (out)flows for the year from operating activities	R 545 953 225	R 244 916 667
	Average cash coverage ratio	4.7 months	1.3 months
19.	Creditors as a percentage of cash and cash equivalents	86%	151%
	<ul style="list-style-type: none"> Amount of trade creditors (accounts payable) Amount of cash and cash equivalents / (bank overdraft) at year-end 	R 286 618 278 R 333 152 099	R 127 821 836 R 84 539 751

There was a substantial increase in revenue generated from exchange transactions mainly due to the higher service charges raised, Interest earned from investments and bank accounts and interest on outstanding debtors.

Service charges revenue increases are due to an increase in tariffs to ensure that they are cost reflective based on expenditure incurred to provide such services. The increase in Interest

earned on investments and bank accounts is due to improved cash management with greater efforts made to invest surplus funds on a short term-basis.

The collection rate of the economic entity remained below the National Treasury norm of 95% with a result of 55% in 2023 compared to 52% in the 2022 financial year. This directly impacts the interest charged on overdue accounts which increased in 2022/23. The debt collection period improved from 114 days in 2022 to 44 days in 2023. This is attributable to improved credit control and debt collection where the municipality has raised internal capacity as well as made use of debt collectors for recoveries of long outstanding amounts.

Debt impairment increased to 93% from 88% in the prior year. This is due to the revised methodology whereby government debt is now also considered for impairment as well as UIFW debtors. The municipality is committed in making all possible attempts to recover outstanding monies and does not consider write-off of debt until all efforts to recover have been exhausted in line with the Credit Control and Debt Collection Policy. The entity continuously explores strategies to assist in improving the collection of outstanding debt.

The creditors' payment period has regressed in 2022/2023 to 129 days when compared to the 38 days in the prior year. The creditors payment period remains above the prescribed 30 days. This is mainly attributable to the impact of the sewerage service costs where negotiations and reconciliations with the service provider stalled the payment of invoices .

The economic entity had adequate investment activities in the form of capital expenditure at 17%.

The economic entity's operations resulted in with a surplus of R 261 035 276 in the 2021/2022 financial year, an increase from a surplus of R 117 733 621 in the prior year.

The current ratio of 1.09:1 shows an improvement from 0.73:1 in the prior year. It is however still below the norm of 1.5 -2: 1. This means that the economic entity had inadequate liquid assets (easily convertible into cash) available to cover short-term obligations as of 30 June 2023.

However, the economic entity had sufficient operating revenue to meet the current payment obligations at 37% and 39.9% in 2022/2023 and 2021/2022, respectively. This falls within the norm of below 45%.

The economic entity’s solvency was calculated on the net income after adding back non-cash items as a means to assess the entity’s capacity to continue operating as a going concern. The economic entity’s ability to meet its long-term financial obligations (solvency) improved in the 2022/2023 financial year when compared to the 2021/2022 financial year at 48% and 39%, respectively. The cash coverage ratio remained healthy against the norm of 1 to 3 months, indicating that the economic entity has adequate capacity to fund monthly fixed operational expenditure. This ratio improved from 1.3 months in 201/2022 to 4.7 months in 2022/2023.

The table below reflects employee related costs for the uMgungundlovu District Municipality and its entity for the 2022/2023 financial year, compared to the previous financial year.

2.18.4 LOANS/BORROWINGS AND GRANT DEPENDENCY

The table below reflects financial ratios.

	2022/23	2021/22
Debt to Revenue	39.9%	37%
Solvency ratio	66%	72%

The municipality has one loan from the Development Bank of Southern Africa. The principal capital amount is R230 million borrowed over a 15-year term and subject to a fixed 15-year SWAP rate plus 230 basis points (average 10.899%) over the loan term.

The debt to revenue ratio of 39.9% is inclusive of other payables (i.e., trade payables, retentions, accruals, etc.) and indicates that the municipality is capable of repaying its debt.

The municipality had sufficient operating revenue to meet the current payments it is liable for in terms of the debts owed by the entity falling within the norm of 45% for the period 2021/22 to 2022/23 financial years.

The municipality remains grant reliant. Grant revenue contributed 66% of the total operating revenue in 2022/23 and 72% in 2021/2022. Own revenue is made up of service charges (water and sanitation); interest from debtors; interest from investments and licensing fees.

2.18.5 AUDITOR GENERAL'S OPINION

The municipality has maintained an unqualified audit opinion on the Annual Financial Statements in the 2022/2023 financial year.

The municipality's audit opinion on the Annual Performance Report for 2022/2023 financial year improved to an unqualified opinion.

The municipality seeks to improve the audit opinion on both the Annual Financial Statements and the Annual Performance Report in the current financial year.