



UBUHLEBEZWE MUNICIPALITY
MID-YEAR BUDGET AND PERFORMANCE
ASSESSMENT REPORT
SECTION 72 OF THE MFMA

22 JANUARY 2021

TABLE OF CONTENTS

PART 1 – IN YEAR REPORT

1. Mayors report
2. Council Resolution
3. Signed Resolution
4. Executive Summary
5. In year budget statement tables (Attached as an annexure)
6. 2020/2021 budget guidelines and assumptions
7. 2020/2021 financial year overview

PART 2 – SUPPORTING DOCUMENTATION

1. Debtors Analysis
2. Creditors Analysis
3. Investment portfolio analysis
4. Allocation and grant receipts and expenditure
5. Councillor allowances and employee benefits
6. Material variances to the SDBIP
7. Capital programme performance
8. Mid-year performance assessment
9. Municipal managers quality certificate

REPORT BY THE MAYOR OF UBUHLEBEZWE MUNICIPALITY

Honourable members

Twenty-seven years ago, President Nelson Mandela stood to weave the tapestry of our newly democratic country. Little did we know that in less than 30 years of the new democratic despeciation; we will be met with a new life threatening disease; called COVID-19. We are no exception to the many that have been affected or infected by this disease. We are part of the statistics. We are meeting here today with heavy hurts as we still mourn the death of three of our staff members and our two of our councillors. Death knocked on our door, so finally we noticed, and we are feeling it. This Pandemic has taught us to meet despair with hope and death with a reaffirmation of the beauty of life. We continue to plead with our communities, members, and staff to take all the necessary precautions; sanitise, wear a mask, keep social distance, and avoid crowded places. Whilst we are presenting this midyear report, we are forced to bare in mine the economic, social, and environmental impact that this will have in our country.

Honourable members: 2021 is our last year of the term of office and our communities are anxiously waiting for us to fulfil our promised obligations. We are faced with a greater responsibility of ensuring that we meet these obligations at the challenging economic times. Our allocation was reduced in 2020/21 and redirected to more pressing social and health related priorities. We are thus also forced to relook at our priorities to adjust to these needs.

The plan of the African National Congress for the country's first democratic administration committed us to fiscal rehabilitation after the devastation wrought to our public finances by the previous regime, which ushered us in a period of unmatched social progress in our history. Over the years, the economy began to re-emerge and grow. During this period of COVID-19, we are forced to re-think our strategies to ensure that we are still able to meet the goal of rebuilding our country and economic freedom for all. The devastating wrought upon us by COVID-19 will force us to go back to the drawing board and rebuild our economy, rehabilitate our public finances, and think of ways to recover from this Pandemic. As we rose to that fiscal challenge, so we will rise to this one as well. To all affected and infected families, our prayers are with you. We pray that God continue to give you straight, protect our families and see us through this dark cloud. We live in hope that all things do come to pass.

Ngiyabonga

RESOLUTION

MID TERM BUDGET REVIEW RESOLUTIONS

Section 72(1) of the Municipal Finance management Act no 56 of 2003 (MFMA) requires that the Accounting Officer of a municipality must by 25 January of each year assess the performance of the municipality during the first half of the financial year. The Municipal Budget and Reporting Regulations states that a mid – year budget and performance assessment must be in a format specified in Schedule C and include all required schedules.

The following resolutions were tabled by the Accounting Officer before the Mayor and Council for adoption and approval on the 25 January 2021.

a. That: -

The Mid – year budget and performance assessment for the period 01 July 2020 to December 2021 be approved as set out in the tables:

- Table C1 – Monthly Budget Statement Summary
- Table C2 – Monthly Budget Statement- Financial Performance (Revenue and Expenditure by standard classification)

- Table C3 – Monthly Budget Statement - Financial Performance (Revenue and Expenditure by municipal vote)
 - Table C4 –Monthly Budget Statement - Financial Performance (Revenue by Source and Expenditure by type)
 - Table C5 – Multi-year and single year capital appropriations (Capital expenditure by vote, standard classification and funding source)
 - Table C6 – Budgeted Financial Position
 - Table C7 – Budgeted Cash flow
 - Supporting Documents
- SC (1-13)**

b. Budget resolution attached

EXECUTIVE SUMMARY

As instructed by the Local Government: Municipal Finance Management Act No.56 of 2003, Chapter 8 on roles of municipal officials, section 72, the Accounting Officer must assess the half yearly performance of the municipality and this is required to be done by 25th January every year to be submitted to the Mayor, National and Provincial Treasury.

The following were considered as instruments to define the actual performance of Ubuhlebezwe Municipality for the period of July 2020 to December 2021,

- Approved Budget for 2020/2021,
- Service Delivery Budget and Implementation Plan
- Council approved Procurement Plan
- Budget versus actual on approved 2020/2021 budget
- Investments and Cash and Cash equivalents
- Analysis of billed revenue versus collected revenue
- Analysis of budgeted expenditure versus actual expenditure for six months ending December 2020
- Monthly MFMA Section 71 reports
- Mid – term performance report, considering targets versus actuals for both the first and the second quarter
- Audited Annual Financial Statements for the previous year
- Auditor General's audit report for the previous year
- Risk Register

During this process it became noticeable that the municipality must adjust its current budget (2020/2021) accordingly. The Accounting Officer will therefore ensure that the adjusted budget document is approved by Council on the 25 February 2021 as prescribed by the MFMA regulations.

The report below details the final mid-year budget and performance assessment.

2020/2021 BUDGET GUIDELINES AND ASSUMPTIONS

The 2020/2021 mid-term budget has been prepared in accordance with guidelines and assumptions as outlined in Circular 58, taking into consideration the following aspects:

- National budget assumptions, guidelines and projections;
- Alignment with national and provincial priorities;
- Headline inflation and gross domestic products forecasts; and
- Revenue assumptions with regard to grants allocation in terms of DORA.

Municipal budget underlying assumptions, guidelines and projections;

- Anticipated own revenue from rates and services charges, sundry charges and other revenues and affordability of ratepayers and consumers services;
- The ability of municipality to collect revenue (payment level);
- Operating expenditure cost drivers and growth thereof.
- Capital budget funding model;
- Protecting the poor by ensuring access to basic services.

2020/2021 FINANCIAL YEAR OVERVIEW

- 1.1 The 2020/2021 annual budget, Integrated Development Plan and service delivery and budget implementation plan was adopted on May 2020.
- 1.2 The municipality submitted its annual financial statements on the 31 October 2020 to AG after the two months extension granted by Treasury due to delays as a result of Covid 19.
- 1.3 Ubuhlebezwe municipality is currently awaiting audit opinion from the AG.
- 1.4 The budget has been monitored through section 71 reports monthly.
- 1.5 Capital expenditure is considered as reasonable as it is at 38% against the approved budget, MIG spending is at 41%, and Internally funded projects at 36%. The municipality anticipates capital expenditure to be 100% at the end of June 2021. The municipality has a history of spending 100% of capital grant funding; being MIG and Electrification Projects.
- 1.6 Operating expenditure is sitting at 44% as at 31 December 2020.

- 1.7 Cash and Cash equivalents amounted to R213, 315 million as at 31 December 2021. Unspent conditional grants amounted to R19, 397 million (Difference between grant funding received and actual expenditure on those grants).

REVENUE FROM RATES

Revenue billed from rates was 47% of the budget as at the end of December 2020, however total received compared to the billed rates was 45%. The Collection is less than rates that have been billed for first six months. There will be no adjustments needed on property rate since the municipality is confident that amount forecasted will be achieved by year end.

2020-2021 Billed Property Rates

Description	2019/20	Budget Year 2020/21					
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	Billed rates YTD
R thousands							
Financial Performance							
Property rates	22 630	23 573	21 243	1 835	10 054	10 621	47%

2020-2021 Collection Rate

2020-2021 Collection Rate							
	MTD						YTD
	July	August	September	October	November	December	Total
Receipts	637 768.05	639 719.45	504 440.71	839 132.85	1 019 900.98	891 408.75	4 532 370.79
Rates	1 754 614.52	1 817 949.74	1 836 630.83	1 834 843.07	1 834 843.07	1 834 843.07	10 054 000.00
Collection Rate	36.35%	35.19%	27.47%	45.73%	55.59%	48.58%	45.08%

REVENUE FROM SERVICE CHARGES – REFUSE

The budget for waste management is R3 300 000. However, the total amount billed for the six months ending 31 December 2020 reflected an amount of R1 515 000. Therefore, no adjustments will be done since the municipality is confident that the forecasted amount will be achieved.

Cash bill and Cash Collected per month vs billed (Refuse)

Description	2019/20	Budget Year 2020/21					
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	Billed rates YTD
R thousands							
Financial Performance							
Service charges	2 268	3 300	3 300	244	1 515	1 650	46%

2020-2021 Collection Rate							
	M T D						Y T D
	July	August	September	October	November	December	Total
Receipts	90 037.83	90 313.33	71 215.16	118 465.81	143 986.02	125 845.93	639 864.08
Refuse	280 940.12	286 098.79	287 415.93	285 514.76	285 095.43	285 405.03	1 515 000.00
Collection Rate	32.05%	31.57%	24.78%	41.49%	50.50%	44.09%	42.24%

The collection based on billing is at 42.24%

REVENUE

Remarks

KZN434 Ubuhlebezwe - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Mid-Year Assessment							
Description	2019/20	Budget Year 2020/21					
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	% of revenue generated to budget %
R thousands							
Revenue By Source							
Property rates	22 630	23 573	21 243	1 835	10 054	10 621	47%
Service charges - refuse	2 268	3 300	3 300	244	1 515	1 650	46%
Rental of facilities and equipment	1 037	1 200	1 000	155	369	500	37%
Interest earned - external	13 027	12 000	10 000	645	3 579	5 000	36%
Fines, penalties and forfeitures	901	1 000	700	0	18	350	3%
Licences and permits	2 885	2 596	2 596	177	1 958	1 298	75%
Other revenue	837	725	725	10	166	362	23%
Total Revenue (excluding transfers and contributions)	44 470	44 423	39 592	3 066	17 660	19 796	45%

The overall total revenue generated is sitting at 45% of the approved budget.

Interest Earned – Interest Earned is 36% of the budget. This is the lowest ever recorded this is due to a further unexpected decrease in interest rate as a result of the pandemic affecting repo rates and GDP. As a result, there will need to an adjustment down wards to accommodate this effect.

Rental income – Rental of municipal facilities and equipment is at 37% of the budget. This is due to lockdown restrictions as a result the municipality will have to adjust downwards.

Law enforcement- Traffic fines are at 3% this only consists of the actual receipt; traffic fines are sitting at 29% when including the issued. Thus, is further due to “stay at home” lockdown restrictions. The municipality will have to adjust downwards since lockdown restrictions still remain.

Other revenue –Other revenue is at 23% of the budget. Of the total budget R 500 000 is budgeted for the sale of land however as a result of the pandemic we have seen that residents are rather cost sensitive and are saving more rather than spending, as a result the municipality have to adjust downwards .

EXPENDITURE

Description	2019/20	Budget Year 2020/21					
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	% of expenditure incurred to budget
R thousands							
Expenditure By Type							
Employee related costs	64 749	84 552	84 552	7 773	38 556	42 276	46%
Remuneration of council	10 304	11 097	11 097	855	5 189	5 549	47%
Debt impairment	5 103	2 090	2 090	–	102	1 045	5%
Depreciation & asset imp	23 890	23 188	23 188	4 595	16 290	11 594	70%
Other materials	397	1 121	1 521	39	191	761	13%
Contracted services	15 416	21 361	23 120	1 584	6 729	11 560	29%
Transfers and subsidies	34 901	3 845	8 213	812	1 734	4 106	21%
Other expenditure	21 056	26 878	27 692	1 215	10 172	13 846	37%
Total Expenditure	175 815	174 133	181 473	16 873	78 962	90 737	44%

The operating budget that was approved by the Council is R181,473 Million and the year to date actual expenditure for the ended 31 December 2018 is R78,962 Million, which is 44% of the total operation expenditure budget. The main reason why the municipality is not at 50% or more is due to the fact that programmes and projects planned and budgeted by the municipality are usually performed after festive season which is on the 3rd and 4th quarter.

Employee related cost and remuneration of councillors

The expenditure on employee related costs is 46%% and remuneration of councillors is at 47% % of the budget, which is reasonable. Less than 50% on employee related cost is due to the vacant position of director IPD. There will be no major adjustment made on employee related costs.

Other materials

The expenditure to other material is 13% of the budget. Majority of this budget is associated with items needed for programmes that will be performed on the 3rd and 4th quarter (programmes under executive and council, community and social)

Contracted Services

Contracted services are sitting at 29% as at end of December 2020, no adjustment is needed since more expenditure is expected on third and fourth quarter.

Other Expenditure

This shown a reasonable trend and there is no need for adjustment as it shows a 37% expenditure as at end of December 2020, we are very confident that we will spend the entire budget come the end of June 2021.

Capital Expenditure

Capital Expenditure by Asset Class/Sub-class	DEPARTMENT	SOURCE OF FUNDING	FINAL BUDGET 2020/21	SPECIAL ADJUSTMENT BUDGET	MTD ACTUAL	RETENTION 2020-2021 VAT EXCL	Year To Date 2020-2021 VAT EXCL	Year To Date 2020-2021 VAT INCL	Percentage Spent VAT EXCL	Percentage Spent VAT INCL
Infrastructure			22 695 020.10	22 695 020.10	2 839 439.15	(212 513.81)	5 736 237.42	6 841 063.91	25%	30%
Infrastructure MIG			13 242 509.30	13 242 509.30	2 839 439.15	(212 513.81)	5 736 237.42	6 841 063.91	43%	53%
Shelembe Road W7	Technical	MIG	127 499.53	127 499.53	-	-	-	-	0%	0%
Lower Valley View Road W2	Technical	MIG	354 229.46	354 229.46	-	-	-	-	0%	0%
Estivandeni Road W14	Technical	MIG	390 572.08	390 572.08	-	(211 216.50)	412 625.00	717 417.73	106%	184%
Sdungeni Rd W1	Technical	MIG	160 375.17	160 375.17	-	-	-	-	0%	0%
Masomini Road W7	Technical	MIG	190 935.68	190 935.68	-	-	-	-	0%	0%
Magawula Road W13	Technical	MIG	111 612.23	111 612.23	-	-	-	-	0%	0%
Khumbule Road W 8	Technical	MIG	80 000.55	80 000.55	-	(54 260.63)	-	62 399.72	68%	75%
Farview Road	Technical	MIG	432 220.62	432 220.62	39 411.42	(327 143.81)	39 411.42	421 538.51	9%	98%
Golf Course Roads	Technical	Internal	406 628.98	406 628.98	-	-	-	-	0%	0%
Ntakama Road	Technical	MIG	2 665 437.80	2 665 437.80	173 401.43	19 266.83	425 227.93	466 885.27	16%	18%
Thandabantu	Technical	MIG	3 037 754.53	3 037 754.53	695 520.00	119 630.00	1 397 309.63	1 469 331.57	46%	48%
Ntsheleni Road	Technical	MIG	2 883 177.53	2 883 177.53	1 021 797.00	156 693.00	1 795 812.91	1 884 987.90	62%	65%
Nyide road	Technical	MIG	2 808 674.11	2 808 674.11	416 857.50	84 517.30	1 173 398.73	1 252 213.64	42%	45%
Schewards Drive	Technical	Internal	6 500 000.00	6 500 000.00	492 451.80	-	492 451.80	566 319.57	8%	9%
Jolivet Hall Parking	Technical	Internal	600 000.00	600 000.00	-	-	-	-	0%	0%
Mdbaniso Road W14	Technical	Internal	620 195.00	620 195.00	-	-	-	-	0%	0%
Mgodi-Skeyi W12	Technical	Internal	310 097.50	310 097.50	-	-	-	-	0%	0%
Nyuluka Road	Technical	Internal	201 563.38	201 563.38	-	-	-	-	0%	0%
Sjontji Road	Technical	Internal	271 355.31	271 355.31	-	-	-	-	0%	0%
Mapo Road	Technical	Internal	325 602.38	325 602.38	-	-	-	-	0%	0%
Clio Road	Technical	Internal	217 068.25	217 068.25	-	-	-	-	0%	0%
Community Assets			8 255 098.71	8 255 098.71	716 014.80	(214 736.68)	3 130 833.95	3 847 406.22	38%	47%
Community Assets MIG			8 179 104.90	8 179 104.90	716 014.80	(214 736.68)	3 130 833.95	3 847 406.22	38%	47%
Sqandulweni Sport Field	Sport and Recre	MIG	3 272 224.13	3 272 224.13	716 014.80	(117 540.30)	3 016 979.80	3 604 668.12	92%	110%
Pass 4 Phungula Sportsfield W1	Sport and Recre	MIG	136 314.95	136 314.95	-	(97 196.38)	24 619.52	140 088.29	18%	103%
KwaDladiadi Sportfield W11	Sport and Recre	Internal	75 993.81	75 993.81	-	-	-	-	0%	0%
Sangcwaba Sports Field	Sport and Recre	MIG	4 770 565.82	4 770 565.82	-	-	89 234.63	102 619.82	2%	2%
Community Halls			562 747.00	562 747.00	-	-	-	-	0%	0%
Community Halls MIG			332 747.00	332 747.00	-	-	-	-	0%	0%
Mazabeko Hall W12	Community Hall	MIG	173 411.71	173 411.71	-	-	-	-	0%	0%
Nkwelutsheni Hall W5	Community Hall	MIG	159 335.28	159 335.28	-	-	-	-	0%	0%
Public Toilets	SD	Internal	230 000.00	230 000.00	-	-	-	-	0%	0%
Buildings			10 790 000.00	10 790 000.00	1 093 125.62	286 125.45	2 401 034.19	2 432 145.05	22%	23%
Revamping of Municipal Buildings	Technical	Internal	10 540 000.00	10 540 000.00	1 093 125.62	286 125.45	2 401 034.19	2 432 145.05	23%	23%
Installed Carwash facility	CORP	Internal	50 000.00	50 000.00	-	-	-	-	0%	0%
Establishment of Workshop	CORP	Internal	100 000.00	100 000.00	-	-	-	-	0%	0%
3x Guard House(s)	IPD	Internal	100 000.00	100 000.00	-	-	-	-	0%	0%
Vehicles			4 540 000.00	5 008 330.00	558 010.00	-	2 106 675.60	2 238 800.95	42%	45%
Double Cab Disaster	Fire	-	-	418 330.00	-	-	414 330.90	414 330.90	99%	99%
Proposed Single cab 4 x 4	LED	Internal	250 000.00	300 000.00	292 165.00	-	292 165.00	335 989.75	97%	112%
Proposed double cab 4 x 4	Refuse	Internal	450 000.00	450 000.00	-	-	414 330.90	414 330.90	92%	92%
Community Safety Sedan x2	Traffic	Internal	740 000.00	740 000.00	265 845.00	-	676 175.90	720 051.75	91%	97%
Single Cab IPD *2	IPD	Internal	600 000.00	600 000.00	-	-	296 165.00	340 589.75	49%	57%
Double Cab Corp	CORP	Internal	500 000.00	500 000.00	-	-	427 838.80	427 838.80	86%	86%
Compactor Truck	Refuse	Internal	2 000 000.00	2 000 000.00	-	-	-	-	0%	0%
Other Equipment			1 365 978.00	7 899 601.00	-	-	4 277 247.74	4 918 834.90	54%	62%
12/14 ton Truck (breakdown)	Internal	-	-	1 548 535.00	-	-	1 346 552.96	1 548 535.90	87%	100%
TLB for cemeteries	Internal	-	-	1 700 000.00	-	-	-	-	0%	0%
Lowbed (horse 30ton and trailer)	Internal	-	-	2 270 738.00	-	-	1 974 554.78	2 270 738.00	87%	100%
Configuration of skip truck	Internal	-	-	608 350.00	-	-	511 500.00	588 225.00	84%	97%
Generator	Internal	-	-	400 000.00	-	-	342 000.00	393 300.00	86%	98%
13K Brush cutters	Refuse	Internal	95 000.00	95 000.00	-	-	-	-	0%	0%
Mobile Speaker/Loud hollers	Refuse	Internal	22 378.00	22 378.00	-	-	-	-	0%	0%
Traffic Firm arms 5	Traffic	Internal	120 000.00	120 000.00	-	-	102 640.00	118 036.00	86%	98%
Traffic Warranty Machine	Traffic	Internal	260 000.00	260 000.00	-	-	-	-	0%	0%
10k Air-conditioning Units	Corporate	Internal	150 000.00	150 000.00	-	-	-	-	0%	0%
4x Safe (Reception areas)	Corporate	Internal	15 000.00	15 000.00	-	-	-	-	0%	0%
6x Metal Detectors	Corporate	Internal	3 600.00	3 600.00	-	-	-	-	0%	0%
3x Turnstyle Gates	Corporate	Internal	150 000.00	150 000.00	-	-	-	-	0%	0%
Security Gates	Corporate	Internal	50 000.00	50 000.00	-	-	-	-	0%	0%
Jolivet Fencing	IPD	Internal	200 000.00	200 000.00	-	-	-	-	0%	0%
Fencing	Corporate	Internal	300 000.00	300 000.00	-	-	-	-	0%	0%
Computer and IT Equipment			5 909 638.80	7 773 348.80	-	-	1 270 130.30	1 399 107.80	16%	18%
Laptops	ITO	Internal	-	600 000.00	-	-	6 600.00	7 590.00	1%	1%
Installation of Fibre Service	Corporate	Internal	-	1 263 710.00	-	-	853 250.00	981 237.50	68%	78%
Biometric Scan	Corporate	Internal	60 000.00	60 000.00	-	-	-	-	0%	0%
3x Supply and Installed Auto	Corporate	Internal	25 000.00	25 000.00	-	-	-	-	0%	0%
Town Surveillance Camera	Corporate	Internal	700 000.00	700 000.00	-	-	-	-	0%	0%
CCTV	Corporate	Internal	80 000.00	80 000.00	-	-	-	-	0%	0%
High Mast Lighting	IPD	MIG	5 004 638.80	5 004 638.80	-	-	410 280.30	410 280.30	8%	8%
Alarm Systems	Corporate	Internal	40 000.00	40 000.00	-	-	-	-	0%	0%
Office Furniture			907 000.00	1 257 000.00	-	-	40 761.73	45 390.99	3%	4%
Fire Gym	Fire	Internal	350 000.00	350 000.00	-	-	-	-	0%	0%
Mobile Screen	Internal	-	-	10 000.00	-	-	-	-	0%	0%
Plastic Chairs-Thathamani*400	SD	Internal	60 000.00	60 000.00	-	-	-	-	0%	0%
6x Microwave Ovens	Corporate	Internal	15 000.00	15 000.00	-	-	9 995.65	11 495.00	67%	77%
6x Fridges	Corporate	Internal	40 000.00	40 000.00	-	-	20 866.08	23 995.99	52%	60%
3 Burner Gas Stove & Pots	Corporate	Internal	5 000.00	5 000.00	-	-	-	-	0%	0%
3x 1.8 Kettles	Corporate	Internal	3 000.00	3 000.00	-	-	-	-	0%	0%
4x Vacuum Cleaners	Corporate	Internal	15 000.00	15 000.00	-	-	9 900.00	9 900.00	66%	66%
3x 10L Urns	Corporate	Internal	4 000.00	4 000.00	-	-	-	-	0%	0%
Cutlery and Crockery	Corporate	Internal	10 000.00	10 000.00	-	-	-	-	0%	0%
3x Fitted Kitchen	Corporate	Internal	65 000.00	65 000.00	-	-	-	-	0%	0%
Fitted Reception	Corporate	Internal	30 000.00	30 000.00	-	-	-	-	0%	0%
Filing Cabinets	Corporate	Internal	50 000.00	50 000.00	-	-	-	-	0%	0%
2x Boardroom furniture	Corporate	Internal	250 000.00	250 000.00	-	-	-	-	0%	0%
Fire Furniture	Fire	Internal	-	350 000.00	-	-	-	-	0%	0%
Intangible			3 153 200.00	4 053 200.00	-	-	378 585.00	435 372.75	9%	11%
Cyber audit	MM	Internal	-	500 000.00	-	-	-	-	0%	0%
Building Plan System/Intangib	Finance	Internal	-	400 000.00	-	-	378 585.00	435 372.75	95%	109%
Financial Management System	Finance	Internal	1 000 000.00	1 000 000.00	-	-	-	-	0%	0%
Electronic Filing System	HR-Corporate	Internal	300 000.00	300 000.00	-	-	-	-	0%	0%
GIS Systems	IPD	Internal	160 000.00	160 000.00	-	-	-	-	0%	0%
PMS Software	PMS	Internal	850 000.00	850 000.00	-	-	-	-	0%	0%
Software licenses	Corporate	Internal	843 200.00	843 200.00	-	-	-	-	0%	0%
Land			1 000 000.00	3 155 249.77	-	-	-	-	0%	0%
Golf courses Electrification	IPD	-	-	2 155 249.77	-	-	-	-	0%	0%
Land Acquisition(Marathall)	IPD	Internal	1 000 000.00	1 000 000.00	-	-	-	-	0%	0%
Total Expenditure			59 178 682.61	71 443 595.38	5 206 589.57	(141 125.04)	19 941 505.93	22 158 122.58	33%	37%
MIG Expenditure			26 759 000.00	26 759 000.00	3 555 453.95	(427 250.49)	9 277 351.67	11 098 750.44	35%	41%
Internal Expenditure			32 419 682.61	44 684 595.38	2 143 587.42	286 125.45	10 556 606.06	11 625 691.71	33%	36%
Total Expenditure			59 178 682.61	71 443 595.38	5 699 041.37	(141 125.04)	19 833 957.73	22 724 442.15	34%	38%

The expenditure on MIG was at 41% against the budget against allocations received, as at 31 December 2020. All projects are anticipated to be completed by end of June 2021. MIG expenditure is expected to be at 100% at 30 June 2021.

Capital Expenditure

The overall capital expenditure is 38% against the budget as at 31 December 2020.

PART – 2

DEBTORS AGE ANALYSIS

Indigent Register

The Council approved an indigent register which is currently being implemented. Indigents are paid for by the municipality through equitable share.

Outstanding Debtors

The total debtor's amount as at 31 December 2018 equalled to R57 173 355.25 categorised as follows:

Government	R 13 961 917.38
Business	R 12 969 798.40
Households	R 23 543 583.41
Other	R 6 698 055.56
Total	<u>R 57 173 355.25</u>

Debt Collection Strategy

Revenue enhancement strategy through a joint initiative between the municipality and Provincial Treasury is being implemented through the usage of a broad matrix that illustrates a wholistic approach for departments including political bearers. This will also be fuelled by a data cleansing process that will commence in quarter three in ensuring that there is a great improvement with regards to the collection of monies owed by customers.

CREDITORS AGE ANALYSIS

Description	NT Code	Budget Year 2018/19									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	412	-	-	-	-	-	-	-	-	-
Auditor General	0800	-	-	-	-	-	-	-	-	412	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	412	-	-	-	-	-	-	-	412	-

The creditor's age analysis reflected an amount of R412 000 as outstanding which also falls with the prescribed legislative timeframe.

The municipality pays its creditors twice in a month (Within 30 days) in order to comply with the MFMA, and to ensure that SMME's are catered for.

INVESTMENT PORTFOLIO ANALYSIS

The municipality does not have long term investments. The municipality invests available funds not needed in short term investments. Funds are invested using the municipality's investment policy.

Institution	Acc No	Acc Type	Maturity Date	Interest Rate (% pa)	Balance Per Statement 01-Dec	(Bank charges)	(Withdrawals)	Deposits	Month End Interest Earned	Balance Per Statement 31-Dec
ABSA Bank - 36m	9356939209	Call Account		4.60	87 945 791.89	-75.00	-10 000 000.00		288 196.33	78 233 913.22
First National Bank - Equit. Share	62 1438 9598 8	Call Account		1.90	270 990.98				437.30	271 428.28
First National Bank - Sangowaba Housing	62 2481 6621 8	Sangowaba Housing		3.90	725 869.77				1 131.55	727 003.32
First National Bank - Equit. Share	74879892154	2 Months - Fixed Deposit	15-Feb	4.08				11 500 000.00	20 567.67	11 520 567.67
First National Bank - Equit. Share	74858332139	3 Months - Fixed Deposit	06-Oct	4.45						
First National Bank - Equit. Share	6283 399 3060	Call Account housing		4.45						
First National Bank - Equit. Share	74858332303	3 Months - Fixed Deposit	06-Jan	4.45	10 112 164.38	(80.00)	(5 000 000.00)	7 500 000.00	15 602.73	2 515 522.73
NED Bank	7881076763/146	2 Months - Fixed Deposit	15-Sep	4.65						10 112 164.38
NED Bank	7881076763/147	3 Months - Fixed Deposit	15-Dec	3.60	20 157 972.60					
NED Bank	7881076763/148	62 Days Notice Deposit	15-Feb	4.30			(20 338 897.31)		180 924.71	0.00
NED Bank	7881076763/149	63 Days Notice Deposit	18-Feb	4.30				20 338 897.31		20 338 897.31
NED Bank	7881076763/145	3 Months - Fixed Deposit	08-Oct	4.45				11 500 000.00		11 500 000.00
NED Bank	7881076763/118	Call Account		3.20	1 184.92				3.00	
STD Bank - Equit. Share new	068730227 6 - 004	3 Months - Fixed Deposit	12-Jan	4.50	30 355 135.42					1 187.92
STD Bank - Equit. Share	0687302276 - 001	Retail/Wholesale Call Dep	25-Nov	1.46	127 346.71					30 355 135.42
STD Bank - Equit. Share-NEW	0687302276 - 005	Notice Deposit	19-Oct	4.65					140.60	127 487.31
STD Bank - Equit. Share	0687302276 - 008	3 Months - Fixed Deposit	15-Nov	3.90	15 884.36					
STD Bank - Equit. Share	0687302276 - 013	2 Months - Fixed Deposit	15-Feb	4.50					26.98	15 911.34
STD Bank - Equit. Share	0687302276 - 014	3 Months - Fixed Deposit	17-Mar					9 000 000.00		9 000 000.00
STD Bank - Equit. Share	0687302276 - 007	32 Day Notice Deposit	10-Jul	3.70				30 000 000.00		30 000 000.00
					149 712 341.03	-155.00	-35 338 897.31	89 838 897.31	507 032.87	204 719 218.80
First National Bank	52 5524 1619 4	Current Account	31-Dec		10 432 375.29					8 595 416.81
Cash and Cash Equivalents					160 144 216.32	-155.00	-35 338 897.31	89 838 897.31	507 032.87	213 314 695.71

ALLOCATIONS AND GRANT RECEIPTS AND EXPENDITURE

All grant liabilities are cash backed. All grant funds are spent according to conditions as stipulated in the Division of Revenue Act. The following table reflects the allocations received as well as expenditure on such allocations.

Allocations	Original Budget 2020/2021	Adjusted Budget 2020/2021	Actual Received YTD	Actual Expenditure - December 2020	Expenditure YTD- 2021	Unspent YTD	% Expenditure Against allocation
Financial Management Grant	1 900 000.00	1 900 000.00	1 900 000.00	534 114.89	762 580.60	1 137 419.40	40%
Electrification - DOE	15 000 000.00	9 000 000.00	9 000 000.00	349 130.54	349 130.54	8 650 869.46	4%
Library Grant and Library Grant - Cyber	226 000.00	226 000.00	226 000.00	35 183.43	190 456.07	35 543.93	84%
Community Library Services Grant	905 000.00	905 000.00	905 000.00	111 309.90	601 381.29	303 618.71	66%
MIG	26 759 000.00	26 759 000.00	20 000 000.00	4 808 719.32	11 098 748.15	8 901 251.85	41%
Gym Park	50 000.00	50 000.00	50 000.00				0%
EPWP	1 903 000.00	1 903 000.00	1 332 000.00	159 591.76	963 499.63	368 500.37	51%
Municipal Disaster Grant (covid 19)	374 477.00	374 477.00	374 477.00		374 483.57	(6.57)	100%
Title Deeds Restoration Programme	121 000.00	100 000.00	-	-	-	-	0%
TOTAL	47 238 477.00	41 217 477.00	33 787 477.00	5 998 049.84	14 340 279.85	19 397 197.15	30%

The above spread sheet shows actual grants received as at end of 31 December 2020 as per DORA allocation.

The municipality have a record of spending 100% of it grants which will be the case even in this financial year as most of the projects that are grants funded were finalised at the end of December 2020.

MATERIAL VARIANCES ON THE SDBIP

Ubuhlebezwe Municipality's Service Delivery & Budget Implementation Plan (SDBIP), as legislated, is aligned to the municipality's Integrated Development Plan (IDP) as well as the Annual Budget. All adjustments made to the budget during the Mid-Year assessments, are effected to the IDP & SDBIP.

MID YEAR PERFORMANCE REVIEW

In terms of Section 72(1) (a) of the Municipal Finance Management Act, 2003 (No. 56 of 2003), that the accounting officer of a municipality must by the 25th of January each year, assess the performance of the municipality during the first half of the financial year.

Based on explanations mentioned above, in terms of Municipal Finance Management Act section 72(3) a, it is recommended that the municipality undertake Adjustment Budget for 2020/2021 Approved Budget.

The 2020/2021 Mid-Year budget and Performance Assessment report has been finalised and will therefore be tabled at a council meeting of the 28 January 2021.

**ATTACHED IS THE ANNEXURE DEPICTING THE FIRST QUARTER AND
SECOND QUARTER PERFORMANCE**

29 Margaret Street

Ixopo

3276

Tel: 039 8347 7700



P.O. Box 132

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3276

UBUHLEBEZWE MUNICIPALITY

From the Office of the Municipal Manager

MUNICIPAL MANAGER'S QUALITY CERTIFICATE


I, G.M. Sineke, Municipal Manager of Ubuhlebezwe Municipality, hereby certify that 2020/21 Mid-Year Budget and Performance Assessment and supporting documents has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the Performance Assessment has been done properly to ensure a true reflection of what has taken place with effect from 01 July 2020 to 31 December 2020 and is consistent with Integrated Development Plan of the Municipality.

This report has been submitted to the Mayor on the 25/01/2021 as required by the Municipal Finance Management Act, and acknowledges receipt as signed below.

Print Name: G.M. Sineke



Municipal manager
Ubuhlebezwe Municipality (KZN 434)



Date

**ATTACHED IS THE ANNEXURE DEPICTING THE FIRST QUARTER AND
SECOND QUARTER PERFORMANCE**

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Tel: 039 8347 7700



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UBUHLEBEZWE MUNICIPALITY

From the Office of the Municipal Manager

MUNICIPAL MANAGER'S QUALITY CERTIFICATE

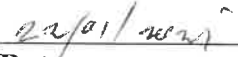
I, G.M. Sineke, Municipal Manager of Ubuhlebezwe Municipality, hereby certify that 2020/21 Mid-Year Budget and Performance Assessment and supporting documents has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the Performance Assessment has been done properly to ensure a true reflection of what has taken place with effect from 01 July 2020 to 31 December 2020 and is consistent with Integrated Development Plan of the Municipality.

This report has been submitted to the Mayor on the 22/01/2021 as required by the Municipal Finance Management Act, and acknowledges receipt as signed below.

Print Name: G.M. Sineke

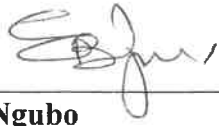


Municipal manager
Ubuhlebezwe Municipality (KZN 434)



Date

Mayor's Acknowledgement of Submission



E.B Ngubo
Mayor of Ubuhlebezwe Municipality (KZN434)

22/01/2021

Date