

UBuhlebezwe Municipality Draft Budget 2024/2025

COUNCIL MEETING

REPORT TO COUNCIL ON 2024/2025 DRAFT ANNUAL BUDGET

Date : 25 March 2025

Levels : 1st Level: Council

1. Author(s) : SY Sityata, (CFO)

2. PURPOSE

The purpose of this report is to seek approval from Council for the draft annual budget for 2024/2025 financial year.

3. LEGAL / STATUTORY REQUIREMENTS

- Municipal Finance Management Act
- Municipal Budget and Reporting Regulation

4. AUTHORITY

- Council

5. BACKGROUND AND REASONING

The Municipal Finance Management Act states that the mayor of the municipality must table draft budget to council 90 days before the start of the financial year.

The budget has been prepared in accordance with a legislation and is funded appropriately.

Furthermore, the municipality has prepared A Schedule (Vision 6.8) which is an MSCOA compliant budget.

The budget document is attached.

UBuhlebezwe Municipality Draft Budget 2024/2025

6. STAFF IMPLICATIONS

The document was prepared by the staff in the BTO.

7. FINANCIAL IMPLICATIONS

Budget will be implemented in the 2024/2025 financial year.

8. OTHER PARTIES CONSULTED

Exco / Office of the Municipal Manager

9. RECOMMENDATIONS

That Council approves the draft budget for 2024/2025 financial year for onward submission to National and Provincial Treasury as well as communities for comments.

UBUHLEBEZWE MUNICIPALITY

2024/2025 DRAFT BUDGET

**Copies of this document can be viewed:
In the municipal buildings**

Municipal library and the website

www.ubuhlebezwe.gov.za

Table of Contents

PART 1 – DRAFT ANNUAL BUDGET	3
1.1 MAYOR’S REPORT	4-7
1.2 Executive Summary	8
1.3 BUDGET	
SUMMARY.....	9ERROR!
BOOKMARK NOT DEFINED.	
1.4 OPERATING REVENUE FRAMEWORK.....	10-13
1.5 OPERATING EXPENDITURE FRAMEWORK.....	14-18
1.6 CAPITAL EXPENDITURE	18-19
1.7 ANNUAL BUDGET TABLES	20-32
PART 2 – SUPPORTING DOCUMENTATION	
2.1 OVERVIEW OF THE ANNUAL BUDGET PROCESS.....	33
2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP	34
2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS.....	34
2.4 OVERVIEW OF BUDGET RELATED-POLICIES.....	35
2.5 OVERVIEW OF BUDGET ASSUMPTIONS	35
2.6 OVERVIEW OF BUDGET FUNDING	36
2.7 ANNUAL BUDGETS AND SDBIPs – INTERNAL DEPARTMENTS.....	36
2.8 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS	36
2.9 LEGISLATION COMPLIANCE STATUS.....	37
2.10 MUNICIPAL MANAGER’S QUALITY CERTIFICATE.....	38
2.11 OTHER DOCUMENTS	38

MAYORAL BUDGET SPEECH

Part 1 –Draft Annual Budget 2024/2025

UBuhlebezwe Municipality Draft Budget 2024/2025

1. MAYORAL BUDGET SPEECH

29 Margaret Street
Ixopo

3276
Tel: 039 8347700

E-mail: mayor@ubuhlebezwe.gov.za



Po Box 132

Ixopo

3276

Fax: 039 8341168

Webpage: www.ubuhlebezwe.gov.za

Ubuhezwe Municipality

25 March 2024

Mayoral Draft budget speech 2024/ 25 F/Y

Honourable Speaker of Council, Cllr N.M.S Chiya,

Deputy Mayor

Members of the Executive Committee

Fellow Councillors

Ondabezitha

The entire Management led by the Municipal Manager, Mr M.E Mkhize

All distinguished guests present, I greet you all.

Honourable Speaker, the Municipal Finance Management Act states that the Mayor or the Municipality must table draft budget to council, 90 days before the start of the financial year. The budget has been prepared in accordance with a legislation and its funded appropriately.

Furthermore, the municipality has prepared A schedule (Vison 6.8) with its MSCOA compliant budget for uBuhlebezwe Municipality to continue improving the quality of services provided to its citizens its needs to generate the required revenue. In these tough economic times, strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding, hence difficult choices must be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is being reviewed for relevance and effectiveness. Revenue enhancement strategy and data cleansing is implemented and form part of daily operations of the finance department and the municipality as a whole, to ensure that revenue due to the municipality are received timeously.

Honourable Speaker, the municipality must tighten its belt and strategically allocate the scarce resources to try to meet the service delivery needs of the

UBuhlebezwe Municipality Draft Budget 2024/2025

people of uBuhlebezwe. The budget that I am presenting today is only a draft and a final budget will be adopted by this council in May after taking into consideration comments from people of uBuhlebezwe. Consultations will start from the 9th to the 12th of April 2024. Hon Speaker, Section 6(1) of the municipal Systems Amendment Act states that **“a municipality’s administration is governed by the democratic values and principles embodied in section 195 (1) of the Constitution”**.

Section 6(2) (a) further requires each municipality **“to be responsible to the needs of local community and to facilitate a culture of public service and accountability amongst staff”**.

The budget is presented in detail below as required by the MFMA and the Municipal Budget Regulations. As council and management, it is our responsibility to ensure that the budget presented today is credible and implementable. It is through this kind of unity that the flag of uBuhlebezwe will be lifted. We are also not complacent and have put it upon ourselves to ensure that we **“copy good things”** from other institutions.

uBuhlebezwe Municipality has attained an unqualified with matters audit opinion for the past two years. We shall strive for a clean audit as we have done in the past. A good audit outcome is directly aligned to performance and service delivery. The good results positively reflect service delivery improvements as well as good financial management. Good performance reflects positive image of uBuhlebezwe leadership in rendering its services, transparency and equality its ability to render services to the community at large.

Honourable Speaker, it is with that background that, we were able to craft this 2024/25 F/Y Draft Budget.

Please allow me to table to Draft Budget to this Council.

I thank you.

NGIYABONGA

UBuhlebezwe Municipality Draft Budget 2024/2025

SUMMARY OF THE BUDGET

Operational Budget	R228 895 157.00
Capital Budget	<u>R 66 344 310.00</u>
Total Budget	<u>R295 239 467.00</u>

Funding the budget – Conditional and Unconditional grants

Description	Allocation 2023/2024	Allocation 2024/2025	Variance	Increase/ Decrease
Equitable Share	R139 317 000	R146 644 000	R7 327 000	
Electrification	R21 863 000	R4 216 000	R17 647 000	
Finance Management Grant	R1 950 000	R1 900 000	R50 000	
EPWP	R7 394 000	R1 620 000	R5 586 000	
Library Grant	R981 000	R1 024 000	R43 000	
Library Cyber	R254 000	R265 000	R11 000	
MIG	R36 857 000	R31 042 000	R5 815 000	

Mr Speaker, the municipality must tighten its belt and strategically allocate the scarce resources to try to meet the service delivery needs of the people of UBuhlebezwe.

The budget that I am presenting today is only a draft and a final budget will be adopted by this council in May after taking into consideration comments from people of UBuhlebezwe.

Mr Speaker, Section 6(1) of the Municipal Systems Amendment Act states “***a municipality’s administration is governed by the democratic values and principles embodied in section 195(1) of the Constitution***”.

UBuhlebezwe Municipality Draft Budget 2024/2025

Section 6(2) (a) further requires each municipality **“to be responsive to the needs of local community and to facilitate a culture of public service and accountability amongst staff”**.

The budget is presented in detail below as required by the MFMA and the Municipal Budget Regulations.

As council and management, it is our responsibility to ensure that the budget presented today is credible and implementable. It is through this kind of unity that the flag of Ubuhebezwe will be lifted. We are also not complacent and have put it upon ourselves to ensure that we “copy good things” from other institutions.

1.2 Council Resolutions

The Council of Ubuhebezwe Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:

- *That the annual budget of the municipality for the financial year 2024/2025; and indicative allocations for the two projected outer years 2025/2026 and 2026/2027 and related policies be approved, as set out in the following schedules and annexure:*

6.1	Budget summary	A1 Sum	
6.2	Budgeted financial performance (revenue and expenditure by standard classification)	A2 FinPerf	
6.3	Budgeted financial performance (revenue and expenditure by municipal vote)	A3 FinPerf	
6.4	Budgeted financial performance (revenue and expenditure)	A4 FinPerf	
6.5	Budgeted capital expenditure by vote, standard classification and funding	A5 CapEx	
6.6	Budgeted financial position	A6 FinPos	
6.7	Budgeted cash flows	A7 CFlow	
6.8	Cash backed reserves/accumulated surplus reconciliation	A8 ResRecon	

UBuhlebezwe Municipality Draft Budget 2024/2025

6.9	Asset management	A9 Asset	
6.10	Basic service delivery measurement	A10 SerDel	

1.3 EXECUTIVE SUMMARY

1.3.1 Introduction

This 2024 to 2025 Tabled Medium Term Revenue and Expenditure Framework (MTREF) Budget Report deals with the operating budget and tariff proposals as well as the capital budget and funding sources proposal to ensure that UBuhlebezwe Municipality renders services to their local community in a financially sustainable manner.

1.3.2 Past performance

UBuhlebezwe Municipality has attained an unqualified with matters audit opinion for the past three years. We shall strive for a clean audit as we have done in the past. A good audit outcome is directly aligned to performance and service delivery. The good results positively reflect service delivery improvements as well as good financial management. Good performance reflects a positive image of UBuhlebezwe leadership in rendering its services, transparency and equally its ability to render services to the community at large.

1.3.3 Financial Sustainability

Financial sustainability over the long-term has to do with the maintenance of high priority expenditure programs, both operating and capital, to ensure program sustainability and desired quality of services to be rendered. There must also be rates and service charges stability and predictability in the overall rate burden by ensuring reasonable rates and service charges to fund programs.

The application of sound financial management principles for the compilation of the municipality's financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically, and equitably to all communities.

UBuhlebezwe Municipality Draft Budget 2024/2025

1.3.4 Budget Summary

The following table is a consolidated overview of the proposed 2024/2025 draft budget and medium-term revenue and expenditure framework:

Table 1 Consolidated Overview of the 2024/2025

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

KZN434 Ubuhebezwe - 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	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	2 955	3 088	3 237	3 507	3 986	3 986	2 343	4 340	4 540	4 749
Sale of Goods and Rendering of Services		233	7 122	6 245	168	21 881	21 881	16 106	4 424	7 783	7 227
Agency services		-	1 337	1 133	1 300	1 300	1 300	902	1 365	1 428	1 493
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	-	-	-	912	912	526	958	1 002	1 048
Interest earned from Current and Non Current Assets		7 569	8 555	14 673	12 500	19 500	19 500	12 973	19 500	20 397	21 335
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		896	1 151	2 897	1 859	2 438	2 438	2 047	2 560	2 677	2 800
Licence and permits		92	102	124	371	132	132	68	149	156	163
Operational Revenue		1 487	899	1 325	1 225	1 725	1 725	1 298	745	779	815
Non-Exchange Revenue											
Property rates	2	21 321	24 389	23 611	52 764	52 486	52 486	35 374	54 907	57 432	60 074
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		446	427	821	871	871	871	444	871	911	953
Licences or permits		4 475	2 498	2 539	2 081	3 260	3 260	2 295	3 494	3 654	3 822
Transfer and subsidies - Operational		143 912	128 784	137 372	150 333	149 860	149 860	112 684	151 453	150 385	145 201
Interest		-	-	-	110	8 088	8 088	5 346	8 492	8 883	9 292
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		145	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contri		183 532	178 355	193 976	227 089	266 439	266 439	192 405	253 256	260 027	258 973

Total operating revenue has decreased by **5%** when comparing Adjusted Budget 2023/2024 Financial Year and Draft Budget for 2024/2025 Financial Year. It has decreased from R266 438 690.00 to R253 256 153.00. Budget summary for the two outer years' operational revenue will increase by 4.6% and 4.6% respectively.

The decrease is mainly caused by a significant decrease on the following grants compared to 2023/24 Adjusted Budget, Integrated National Electrification Programme (INEP) by R17 647 000 million, Expanded Public Works Programme (EPWP) by R5 586 000 million and Municipal Infrastructure Grant by R5 815 000 million.

1.4 Operating Revenue Framework

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


The municipality's revenue strategy is being reviewed for relevance and effectiveness. Revenue enhancement strategy and data cleansing is implemented and forms part of daily operations of the finance department and the municipality as a whole to ensure that revenues due to the municipality are received and timeously. The strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy
- Introduction of decision Matrix Revenue strategy
- Efficient revenue management, which aims to ensure an 80 per cent annual collection rate for property rates and other key service charges,
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) MPRA,
- Increase ability to extend new services and recover costs.
- The municipality's Indigent Policy and rendering of free basic services and
- Tariff policies of the Municipality









Government Subsidies/ Grants

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

The table below reflects all government grants categorised per function.

Description	Allocation 2023/24	Allocation 2024/25	Variance	Increase/ Decrease
CAPITAL GRANTS				
MIG	R36 857 000	R31 042 000	R5 815 000	

UBuhlebezwe Municipality Draft Budget 2024/2025

TOTAL	R36 857 000	R31 042 000	R5 815 000	
OPERATIONAL GRANTS				
Equitable Share	R139 317 000	R146 644 000	R7 327 000	
Electrification	R21 863 000	R4 216 000	R17 647 000	
Finance Management Grant	R1 950 000	R1 900 000	R50 000	
EPWP	R7 394 000	R1 620 000	R5 586 000	
Library Grant	R981 000	R1 024 000	R43 000	
Library Cyber	R254 000	R265 000	R11 000	
TOTAL	R 171 759 000	R 155 669 000	R 16 090 000	

- **Property Rates**

Property rates revenue is the second largest revenue source which increased from R52 485 792 to a total of R54 906 781 in the 2024/2025 financial year as per valuation roll and also the change in tariffs both led to the increase in budget. Therefore, the municipality has estimated its property rates based on the latest valuation roll which resulted in an increase in the rates and service charges.

Comparison of proposed rates to levied for the 2024/2025 financial year.

Choose name from list - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Non-Exchange Revenue											
Property rates	2	21 321	24 389	23 611	52 764	52 486	52 486	35 374	54 907	57 432	60 074

The amounts reflected on the table above are after considering revenue forgone and rebates.

UBuhlebezwe Municipality Draft Budget 2024/2025

- Refuse / Service Charges**

This refers to refuse removal income that the municipality has budgeted to bill for the financial year of 2024/25. There is an increment from adjusted budget 2023/24 to draft budget 2024/25 by R353 806.00. The proposed budget for service charges amounted to R3 986 000.00 for 2024/2025.

Choose name from list - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	2 955	3 088	3 237	3 507	3 986	3 986	2 343	4 340	4 540	4 749

- Sales of goods and rendering of services**

This the municipality has budgeted an amount of R 4 423 900.00 for 2024/25 Financial Year. There is a decrease of R17 457 100.00 from adjusted budget 2023/24 to draft budget 2024/25. This due to a decrease in Integrated National Electrification Programme (INEP). A bulk of budget on sales of goods and services is INEP.

Choose name from list - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Sale of Goods and Rendering of Services		233	7 122	6 245	168	21 881	21 881	16 105	4 424	7 783	7 227

- Rental**

This refers to rental for municipal facilities, the municipality budgeted the amount of R 2 559 586.00 for 2024/25 Financial Year. There is an increment from adjusted budget 2023/24 to draft budget 2024/25 by R121 885.00. The increment is based on the new lease agreements and a renewed lease.

Choose name from list - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Rental from Fixed Assets		896	1 151	2 897	1 859	2 438	2 438	2 047	2 560	2 677	2 800

UBuhlebezwe Municipality Draft Budget 2024/2025

- **Traffic Fines**

The municipality's budget of Fines, penalties and forfeits is R870 810 for 2024/25 Financial Year.

- **Interest on Investments**

This refers to funds invested by the municipality on various institutions, for less than one year, we have budgeted an amount of R19 500 000 for 2024/25 Financial Year.

- **Licence and Permits**

This refers to licence and permits charged or fined by the municipality; the municipality budgeted the amount of R 3 493 500.00 for 2024/25 Financial Year. There is an increment of R233 500.00 from adjusted budget 2023/24 to draft budget 2024/25.

Choose name from list - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Licences or permits	1	4 475	2 498	2 539	2 081	3 260	3 260	2 295	3 494	3 654	3 822

- **Agency Services**

This refers to Agency Services that the municipality receives from Department of Transport; the municipality budgeted the amount of R1 365 000.00 for 2024/25 Financial Year. There is an increment of R65 000.00 from adjusted budget 2023/24 to draft budget 2024/25.

Choose name from list - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Agency services	1	-	1 337	1 133	1 300	1 300	1 300	902	1 365	1 428	1 493

Other revenue

The municipality budgeted the amount of R745 000.00 for 2024/25 Financial Year. There is a decrease of R980 316.00 from adjusted budget 2023/24 to draft budget 2024/25. There was a once of payment that required an increment on Adjustment budget.

Choose name from list - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Operational Revenue	1	1 487	899	1 325	1 225	1 725	1 725	1 298	745	779	815

UBuhlebezwe Municipality Draft Budget 2024/2025

1.5 Operating Expenditure Framework

The total operating expenditure for 2024/2025 financial year has been appropriated at R228 895 157.00. The Municipality's expenditure framework for the 2024/25 budget is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit.
- Funding of the over the medium-term as informed by Section 18 and 19 of the MFMA,
- Strict adherence to the principle of no project plans no budget. If there is no business plan, no funding allocation can be made.

Expenditure by Source Table

KZN434 Ubuhebezwe - 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
Expenditure											
Employee related costs	2	84 094	86 662	81 519	94 410	94 528	94 528	62 381	100 782	105 418	110 267
Remuneration of councillors		10 436	10 372	11 233	10 960	11 416	11 416	8 008	11 416	11 941	12 490
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	8	770	1 209	1 295	1 535	1 534	1 534	583	2 695	2 819	2 941
Debt impairment	3	124	(8 227)	10 082	1 700	10 655	10 655	-	10 700	11 192	11 707
Depreciation and amortisation		35 922	28 030	41 417	36 000	36 000	36 000	19 197	36 000	37 656	39 388
Interest		-	1	6	5	2	2	1	2	2	2
Contracted services		16 497	25 581	27 013	25 447	45 675	45 675	32 553	26 382	27 596	28 866
Transfers and subsidies		5 063	3 470	2 571	9 826	3 165	3 165	1 797	2 756	2 883	3 016
Irrecoverable debts written off		11 231	13 162	-	2 378	2 378	2 378	479	2 378	2 488	2 602
Operational costs		23 877	25 875	31 352	31 319	41 274	41 274	24 209	35 784	37 419	39 438
Losses on disposal of Assets		1 580	625	879	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-
Total Expenditure		189 593	186 760	207 368	213 580	246 626	246 626	149 209	228 895	239 414	250 717

UBuhlebezwe Municipality Draft Budget 2024/2025

- **Employee Related Costs**

The proposed total cost to employer amount to R100 781 976.00. The amount of employee related costs also includes new positions for drivers of Mayor that were previously not funded in the budget but approved in the Municipality's organogram.

- **Remuneration of the councilors**


The cost associated with the remuneration of councilors is determined by the minister of co-operative governance and traditional affairs in accordance with the remuneration of public office bearers act 1998 (act 20 of 1998) the most recent proclamation in this regard has been taken into account in compiling the municipality's draft budget. The municipality has budgeted R11 415 517.00 for the financial year 2024/25.

- **Provision for doubtful debts.**

The provision of debt impairment was determined based on an annual collection rate. For the 2024/2025 financial year this amount equates to R10 700 000.00. While this expenditure is considered as non-cash item, it informed the cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

- **Depreciation**

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the rate asset consumption. Budget appropriations in this regard total R36 000 000 for the 2024/2025 financial year.

 THE UBUHLEBEZWE MUNICIPALITY								
Asset Register Summary	Sum of Cost Opening Balance	Sum of Depreciation for Period	Depreciation for the remaining 4 months in	Estimanted Closing Carrying Value 30/06/2024	Additions for 2024/25 (Budget)	Closing Cost	Estimated Depreciation for 24/25	
(blank)								
PROPERTY PLANT AND EQUIPMENT	667 504 782.48	18 612 958.32	9 306 479.16	342 959 594.73	63 688 399.90	406 647 994.63	5 196 114.77	
COST MODEL	667 504 782.48	18 612 958.32	9 306 479.16	342 959 594.73	63 688 399.90	406 647 994.63	5 196 114.77	
OTHER ASSETS	78 309 853.03	839 852.97	419 926.49	58 012 548.79	1 211 000.00	59 223 548.79	60 550.00	1 570 329.46
COMMUNITY ASSETS	217 356 196.02	5 070 934.05	3 535 467.03	143 261 170.37	18 430 903.73	161 692 074.09	921 545.19	9 027 946.26
COMPUTER EQUIPMENT	7 692 312.98	639 642.71	319 821.36	3 095 315.04	706 575.00	3 801 890.04	235 525.00	1 194 989.07
FURNITURE AND OFFICE EQUIPMENT	6 516 482.17	433 372.62	216 686.31	2 470 923.12	1 897 323.50	4 368 246.62	379 464.70	1 029 523.63
LAND	5 961 192.95	-	-	6 311 192.95	-	6 311 192.95	-	-
MACHINERY AND EQUIPMENT	22 966 605.46	1 162 757.13	581 378.57	13 421 117.89	1 338 000.00	14 759 117.89	446 000.00	2 294 056.23
TRANSPORT ASSETS	16 315 118.63	862 039.49	431 019.75	3 619 855.84	7 652 000.00	11 271 855.84	1 530 400.00	2 823 459.24
ROADS INFRASTRUCTURE	294 266 831.53	8 887 608.69	6 370 634.35	107 954 108.76	17 564 887.75	125 518 996.51	878 244.39	14 709 657.42
STORM WATER INFRASTRUCTURE	18 120 189.71	716 750.66	358 375.33	4 813 362.00	14 887 709.92	19 701 071.92	744 385.50	2 019 511.49
HERITAGE ASSETS	4 808 818.50	-	-	4 808 818.50	-	4 808 818.50	-	-
INTANGIBLE ASSETS	6 314 340.11	532 013.02	266 006.51	2 619 695.76	755 909.40	3 375 605.16	251 969.80	1 049 989.33
INVESTMENT PROPERTIES	29 124 173.26	53 691.93	26 845.97	24 368 332.31	2 000 000.00	26 368 332.31	100 000.00	280 537.90
Grand Total	707 752 114.35	19 198 663.27	12 526 161.64	374 756 441.30	66 444 309.30	438 273 920.50	5 548 084.57	36 000 000.00

UBuhlebezwe Municipality Draft Budget 2024/2025

- **Repairs and Maintenance**

In line with repairs and maintenance plan, this group of expenditure has been prioritised to ensure sustainability of the Municipality's infrastructure assets. The amount of R8 428 483 has been budgeted for 2024/2025.

- **Contracted Services**

The budget of R 26 382 487.00 has been set aside for contracted services.

- **Other Expenditure**

General expenditure which incorporates operational expenditure for various programmes of the municipality and has an allocation of R35 784 499.00. There is a decrease of R5 490 571.00 from 2023/24 adjusted Budget to 2024/25 Draft Budget. This is due to the decrease in EPWP grant.

Below is the breakdown for general expenditure to provide more details for users

Programmes/Projects/Expenditure Items	2024/25	2024/25
Bursary Youth	R 783 994.00	R 800 000.00
Disaster Management	R 259 205.00	R423 000.00
Back to School	R 20 000.00	R 20 980.00
Marketing and Tourism	R 296 803.20	R413 796.56
Wet Fuel	R 4 214 773.78.	R 4 655 190.00
Moral Generation	R 92 820.00	R 187 949.09
Municipal Name Change	R 230 000.00	R 1 233 340.00
Marathon	R 287 925.00	R302 033.33
Men's Programme	R159 168.50	R70 528.76
Women's Programme	R 125 313 .30	R135 740.65
Batho Pele	R 20 940.00	R30 000.00
Sport and Recreation	R 57 350.00	R 73 000.00
Maintenance of Halls and Facilities	R 328 200.00	R344 282
Establishment and training of ward committee	R 270 000.00	R 25 000.00
Operation - Sukuma sakhe	R 170 340.00	R 158 720.60
Dumping site	R 450 000.00	R 472 050.00
Valuer	R 250 000.00	R250 000 .00
WSP Training	R 1 300 000.00	R1 300 000.00
Fraud Risk Awareness Campaign	-	R 10 500.00
Subdivision for municipal Properties	R20 000.00	R5 000.00
Subdivision of Municipal Roads	R 98 000.00	
Property management of golf course estate	R0	R250 000.00
Development of Urban Regeneration Strategy	R 100 000.00	
Conveyancing for golf course	R30 000.00	R130 000.00
Development SDF	R 312 500.00	

UBuhlebezwe Municipality Draft Budget 2024/2025

Golf Course Surveying	R 100 000.00	R150 000.00
Reviewal of Land Use Scheme	R 660 000.00	
Food security (Working Tools) women's	R 166 473.00	R 200 000.00
Men's Upliftment	-	R 100 000.00
PMS System support	-	R 60 000.00
Legal Advice and Litigation	R 2 600 000.00	R1 500 000.000
Security Services	R6 721 000.00	R3 731 983.00
Performing Arts	R571 260.20	R403 228.80
Arts and culture	R 54 572.00	R57 246.03
Mayoral excellence awards	R125 116.00	R132 806.08
Mayoral cup	R658 886.00	R484 720.75
IDP/Budget Review	R 71 196.00	R74 684.60
Gender development (community upliftment)	R337 236.40	R395 534.42
Youth Programs	R 326 268.00	R392 358.53
Youth day commemoration	R162 285.00	R170 236.00
HIV/AIDS Awareness	R79 999.67	R83 919.65
Ward Committee	R 2 068 917.00	R2 201 579.39
Public Participation	R 233 988.97	R234 448.71
LGBQIA+/Traditional Health		R51 000.00
Career exhibition	R28 269.00	R35 758.00
LED Projects	R2 370 940.00	R1 683 350.00
LED /Tourism Forum	R65 993 .50	R80 000.00

- **Interest Expenses**

The budget of R2 000 has been set aside for interest expense.

Expenditure on allocations and grant programmes Local Financial Management Grant

Salaries for Interns	R 650 000.00
Accounting and Auditing: Conditional Assessment	R 550 000.00
Maintenance & upgrade of financial system: mscoa	R 200 000.00
Training (BTO & Internal Audit)	R 300 000.00
Municipal Finance Management Programme	R 200 000.00
Total	R 1 900 000.00

Salaries for library Department	R 1 235 000.00
Total	R 1 235 000.00

Skill training and development - EPWP	R1 620 000.00
Total	R1 620 000.00

UBuhlebezwe Municipality Draft Budget 2024/2025

Allocations Integrated National Electrification Programme

Highflats: Connections	R1 000.00
Hlokozi: Connections	R4 215 000.00
TOTAL	R4 216 000.00

1.6 Capital expenditure

Capital expenditure funding is funded by grants which is an amount of R 66 344 316.50 including vat. R 31 042 000 is funded from MIG and R35 302 316.50 is funded from internally generated funds.

Summary of Capital Expenditure

Source of funding	Amount Excl VAT	Amount Incl VAT
MIG	26 993 043.48	R31 042 000.00
Internal Funded	30 697 666.52	R35 302 316.50
Total	57 690 710.00	R66 344 316.50

NB: Breakdown of these projects are in the IDP.

UBuhlebezwe Municipality Draft Budget 2024/2025

CAPEX 2024-2025	SOURCE OF FUNDING	PROPOSED DRAFT BUDGET 2024/2025
Infrastructure INT		10 521 943.71
Infrastructure MIG		7 042 944.04
Jili Road	Int	20 000.00
Bhengu Road	Int	30 000.00
Black/Mfeka	Int	30 000.00
Fana Nyathi and St Nicholas Road	Int	20 000.00
Njijani Road	INT	30 000.00
Regravelling of Masilumani Road	Int	30 000.00
Mingunyathi Road 1 km Ward 05	MIG	4 249 144.96
Mingunyathi Road 1 km Ward 05 - Indirect Cost	MIG	691 721.27
Greens and Grove, Hawthorne Roads, Workshop road	INT	9 821 898.49
Greens and Grove, Hawthorne Roads, Workshop road, Gok	INT	340 045.22
Municipal exit point (construction)	Int	200 000.00
Marryhelp to Maweni Pedestrian Bridge W11 - Dire	MIG	1 807 786.92
Marryhelp to Maweni Pedestrian Bridge W11 INDE	MIG	294 290.89
Community Assets INT		6 000 000.00
Community Assets MIG		4 109 203.79
rehabilitation of morningside (ring fence mig)	MIG	2 813 315.03
rehabilitation of morningside (ring fence mig) - Inc	MIG	-
rehabilitation of morningside (ring fence mig) - Inc	Int	6 000 000.00
rehabilitation of morningside (ring fence mig) - Inc	Int	-
Upgrading of Jolvet Sportfield Phase 3	INT	720 600.23
Upgrading of Jolvet Sportfield Phase 3	INT	575 288.53
Community Halls INT		2 379 587.65
Community Halls MIG		5 942 112.29
Skhunyane Hall W14	INT	2 379 587.65
Skhunyane Hall W14 - Indirect Cost	INT	0.00
Phambuka Hall W9	MIG	5 110 216.54
Phambuka Hall W9 - Indirect Cost	MIG	831 895.75
Buildings LED INTERNAL		-
Small Town		-
Buildings LED		-
Electrification MIG		13 947 739.88
Electrification INT		939 970.04
Amazabeko Highmast W12	MIG	1 296 755.98
Amazabeko Highmast W12 - Indirect Cost	MIG	70 653.94
Ncakubane Highmast W1	MIG	862 059.96
Carrisbrook Highmast W2	INT	439 970.04
Nhlangwini Highmast W8	MIG	1 302 030.00
Nkawini Highmast W8	MIG	1 302 030.00
Mandilini Highmast W4	MIG	1 302 030.00
Kozondi Highmast W9	MIG	1 302 030.00
Mashumi Highmast W13	MIG	1 302 030.00
Njane Highmast W7	MIG	1 302 030.00
Sigandulweni Highmast W5	MIG	1 302 030.00
Dabulamanzi Highmast W6	MIG	1 302 030.00
Streetlights/ Solar	INT	500 000.00
VEHICLES		7 652 000.00
Deputy Mayoral car	Int	1 000.00
Fire engine truck	Int	7 000 000.00
skip truck	Int	1 000.00
Double Cab	Int	650 000.00
Other Equipment		1 338 000.00
lash trimmer	INT	11 000.00
Fire Equipment	Int	200 000.00
3x Municipal Kitchens	Int	50 000.00
pressure gun	INT	15 000.00
diesel tanker	INT	150 000.00
Notice board	INT	40 000.00
2x Guard Houses	Int	100 000.00
Automated Complaints management system	INT	10 000.00
refridgerated container	INT	60 000.00
safe box	INT	21 000.00
Tools of trade auxiliary	INT	60 000.00
branded gazzibas And Banner	INT	110 000.00
Access control gate	INT	1 000.00
Roller gate - Front office	INT	10 000.00
restoration of rail way	INT	500 000.00
Computer and IT Equipment INT		706 575.00
Computer and IT Equipment MIG		-
Laptops	Int	300 000.00
Laptops for BTO Officials	INT	100 000.00
Other IT Equipment	Int	124 000.00
smart TV 75 INCH	INT	30 000.00
Portable speaker / Loud hailers	INT	15 575.00
Camera*3	INT	5 000.00
Camera	INT	5 000.00
Communication equipment	Int	60 000.00
Biometric Scan	Int	67 000.00
Office Furniture		1 897 323.50
Plastic Chairs Hall	Int	130 000.00
steel folded tables for halls	INT	10 000.00
5x Microwave Ovens	Int	27 798.50
Urn	INT	2 500.00
burglar guards	INT	50 000.00
Fridges	INT	11 000.00
3x Fridges	Int	20 000.00
Aircondition unit	Int	209 800.00
Aircondition unit	INT	260 000.00
Furniture and office equipment	INT	60 000.00
concrete bins*85	INT	100 000.00
skip bins	INT	250 000.00
Building Furniture (Thusong)	INT	140 000.00
Municipal furniture	Int	300 000.00
CCTV Cameras	INT	300 000.00
Cleaning Equipment (Office & Fleet)	Int	26 225.00
Intangible		755 909.40
Software licenses	Int	755 909.40
Land		-
Buildings		3 211 000.00
Golf Course ReFurb	Int	1 000.00
Statistics Building Refurb	Int	2 000 000.00
Workshop Refurb	INT	1 200 000.00
Establishment of business HUB	INT	10 000.00
Total Expenditure		66 444 309.30
MIG Expenditure		31 042 000.00
Led Grant		-
Small Town		-
Internal Expenditure		35 402 309.30
Total Expenditure		66 444 309.30

1.7 Annual Budget Tables-

1.7.1 Explanatory notes to MBRR Table A1-Budget Summary for 2024/2025 Financial year.

- Table A1 is a budget summary and provides a concise overview of UBuhlebezwe Local Municipality's budget from all the major financial perspectives (operating, capital expenditure, financial position, cash flow and MFMA funding compliance).
- The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
- Financial management reforms emphasise the importance of the municipal budget being funded. The Budget Summary provides the key information in this regard;
 - Transfer recognised is reflected on the Financial Performance Budget
 - Internally generated funds are financed from a combination of the operating surplus and accumulated cash-backed surplus from previous years. The fact that the municipality's cash flow remains positive and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
- Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The municipality is committed to provide free basic services to the needy community. In addition, the municipality continues to make progress in addressing service delivery backlogs.

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

Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into its functional areas. Municipal revenue, operating expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.

UBuhlebezwe Municipality Draft Budget 2024/2025

KZN434 Ubuhebezwe - 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	1									
<i>Governance and administration</i>		171 872	161 979	180 174	209 393	226 219	226 219	236 866	239 620	238 625
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		171 872	161 979	180 174	209 393	226 219	226 219	236 866	239 620	238 625
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		8 565	9 257	8 591	13 860	14 434	14 434	7 688	8 148	8 439
Community and social services		3 644	3 525	3 748	9 516	8 888	8 888	3 216	3 470	3 547
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		4 921	5 731	4 843	4 343	5 547	5 547	4 472	4 678	4 893
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		26 623	40 367	38 797	41 892	65 384	65 384	35 484	39 640	42 752
Planning and development		99	1 046	2 359	2 131	6 761	6 761	186	195	204
Road transport		26 524	39 321	36 438	39 761	58 622	58 622	35 298	39 446	42 549
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		2 955	3 032	3 175	3 443	3 910	3 910	4 260	4 456	4 661
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		2 955	3 032	3 175	3 443	3 910	3 910	4 260	4 456	4 661
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	210 015	214 635	230 737	268 588	309 947	309 947	284 298	291 865	294 478
Expenditure - Functional										
<i>Governance and administration</i>		124 171	113 225	127 105	124 720	134 666	134 666	131 603	137 646	144 098
Executive and council		23 612	23 523	24 736	23 824	25 105	25 105	26 489	27 697	28 996
Finance and administration		96 494	87 104	108 316	100 896	109 561	109 561	103 982	108 765	113 862
Internal audit		4 065	2 598	(5 947)	-	-	-	1 133	1 185	1 239
<i>Community and public safety</i>		27 853	28 986	30 764	41 816	34 915	34 915	38 971	40 764	42 707
Community and social services		8 240	9 265	9 985	19 465	11 742	11 742	13 156	13 761	14 406
Sport and recreation		62	342	122	57	5	5	46	48	50
Public safety		17 975	17 294	18 498	19 961	20 820	20 820	23 058	24 118	25 276
Housing		1 577	2 086	2 159	2 332	2 348	2 348	2 711	2 836	2 975
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		22 522	24 943	30 727	32 107	40 852	40 852	35 904	37 556	39 351
Planning and development		10 357	11 843	15 791	17 379	17 670	17 670	18 426	19 274	20 187
Road transport		12 165	13 100	14 936	14 728	23 181	23 181	17 478	18 282	19 164
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		15 044	19 545	18 729	14 706	36 062	36 062	22 175	23 195	24 295
Energy sources		3 958	6 957	6 082	-	19 011	19 011	4 216	4 410	4 613
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		11 085	12 589	12 647	14 706	17 051	17 051	17 959	18 785	19 683
<i>Other</i>	4	4	60	44	231	131	131	242	253	265
Total Expenditure - Functional	3	189 593	186 760	207 368	213 580	246 626	246 626	228 895	239 414	250 717
Surplus/(Deficit) for the year		20 422	27 874	23 369	55 008	63 321	63 321	55 403	52 451	43 761

UBuhlebezwe Municipality Draft Budget 2024/2025

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

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

KZN434 Ubuhebezwe - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
Revenue by Vote										
Vote 1 - Executive & Council	1	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		171 872	161 979	180 174	209 393	226 219	226 219	236 866	239 620	238 625
Vote 3 - Community and Social Services		3 644	3 525	3 748	9 516	8 888	8 888	3 216	3 470	3 547
Vote 4 - Housing		-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		4 921	5 731	4 843	4 343	5 547	5 547	4 472	4 678	4 893
Vote 6 - Road Transport		26 524	39 321	36 438	39 761	58 622	58 622	35 298	39 446	42 549
Vote 7 - Waste Management		2 955	3 032	3 175	3 443	3 910	3 910	4 260	4 456	4 661
Vote 8 - Energy Services		-	-	-	-	-	-	-	-	-
Vote 9 - Planning & Development		99	1 046	2 359	2 131	6 761	6 761	186	195	204
Vote 10 - Sports & Recreation		-	-	-	-	-	-	-	-	-
Vote 11 - Other		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 1210]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - 0		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	210 015	214 635	230 737	268 588	309 947	309 947	284 298	291 865	294 478
Expenditure by Vote to be appropriated										
Vote 1 - Executive & Council	1	27 677	26 121	18 789	23 824	25 105	25 105	27 621	28 881	30 236
Vote 2 - Finance and Admin		91 988	81 228	102 983	92 776	102 840	102 840	100 230	104 841	109 757
Vote 3 - Community and Social Services		8 276	9 235	10 037	19 492	11 721	11 721	13 019	13 619	14 257
Vote 4 - Housing		1 577	2 086	2 159	2 332	2 348	2 348	2 711	2 836	2 975
Vote 5 - Public Safety		17 975	17 294	18 498	19 961	20 820	20 820	23 058	24 118	25 276
Vote 6 - Road Transport		12 165	13 100	14 936	14 728	23 181	23 181	17 478	18 282	19 164
Vote 7 - Waste Management		11 085	12 589	12 647	14 456	17 051	17 051	17 959	18 785	19 683
Vote 8 - Energy Services		3 958	6 957	6 082	-	19 011	19 011	4 216	4 410	4 613
Vote 9 - Planning & Development		10 357	11 843	15 791	17 379	17 670	17 670	18 426	19 274	20 187
Vote 10 - Sports & Recreation		26	266	71	10	5	5	-	-	-
Vote 11 - Other		4	60	44	231	131	131	242	253	265
Vote 12 - [NAME OF VOTE 1210]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - 0		4 505	5 982	5 333	8 391	6 742	6 742	3 934	4 115	4 305
Total Expenditure by Vote	2	189 593	186 760	207 368	213 580	246 626	246 626	228 895	239 414	250 717
Surplus/(Deficit) for the year	2	20 422	27 874	23 369	55 008	63 321	63 321	55 403	52 451	43 761

UBuhlebezwe Municipality Draft Budget 2024/2025

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

Transfers recognised operating includes the FMG, EPWP, Library, and equitable share from national and provincial government. It is noted that the grants remain a major and high funding source for the municipality.

KZN434 Ubuhebezwe - 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	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	2 955	3 088	3 237	3 507	3 986	3 986	2 343	4 340	4 540	4 749
Sale of Goods and Rendering of Services		233	7 122	6 245	168	21 881	21 881	16 106	4 424	7 217	7 793
Agency services		-	1 337	1 133	1 300	1 300	1 300	902	1 365	1 428	1 493
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	-	-	-	912	912	526	958	1 002	1 048
Interest earned from Current and Non Current Assets		7 569	8 555	14 673	12 500	19 500	19 500	12 973	19 500	20 397	21 335
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		896	1 151	2 897	1 859	2 438	2 438	2 047	2 560	2 677	2 800
Licence and permits		92	102	124	371	132	132	68	149	156	163
Operational Revenue		1 487	899	1 325	1 225	1 725	1 725	1 298	745	779	815
Non-Exchange Revenue											
Property rates	2	21 321	24 389	23 611	52 764	52 486	52 486	35 374	54 907	57 432	60 074
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		446	427	821	871	871	871	444	871	911	953
Licences or permits		4 475	2 498	2 539	2 081	3 260	3 260	2 295	3 494	3 654	3 822
Transfer and subsidies - Operational		143 912	128 784	137 372	150 333	149 860	149 860	112 684	151 453	150 385	145 201
Interest		-	-	-	110	8 088	8 088	5 346	8 492	8 883	9 292
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		145	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contri		183 532	178 355	193 976	227 089	266 439	266 439	192 405	253 256	259 461	259 539
Expenditure											
Employee related costs	2	84 094	86 662	81 519	94 410	94 528	94 528	62 381	100 782	105 418	110 267
Remuneration of councillors		10 436	10 372	11 233	10 960	11 416	11 416	8 008	11 416	11 941	12 490
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	8	770	1 209	1 295	1 535	1 534	1 534	583	2 695	2 819	2 941
Debt impairment	3	124	(8 227)	10 082	1 700	10 655	10 655	-	10 700	11 192	11 707
Depreciation and amortisation		35 922	28 030	41 417	36 000	36 000	36 000	19 197	36 000	37 656	39 388
Interest		-	1	6	5	2	2	1	2	2	2
Contracted services		16 497	25 581	27 013	25 447	45 675	45 675	32 553	26 382	27 596	28 866
Transfers and subsidies		5 063	3 470	2 571	9 826	3 165	3 165	1 797	2 756	2 883	3 016
Irrecoverable debts written off		11 231	13 162	-	2 378	2 378	2 378	479	2 378	2 488	2 602
Operational costs		23 877	25 875	31 352	31 319	41 274	41 274	24 209	35 784	37 419	39 438
Losses on disposal of Assets		1 580	625	879	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-
Total Expenditure		189 593	186 760	207 368	213 580	246 626	246 626	149 209	228 895	239 414	250 717
Surplus/(Deficit)		(6 060)	(8 405)	(13 392)	13 509	19 812	19 812	43 197	24 361	20 047	8 822
Transfers and subsidies - capital (monetary)	6	26 482	32 262	32 640	41 499	43 508	43 508	32 339	31 042	32 404	34 939
Transfers and subsidies - capital (in-kind)	6	-	4 018	4 121	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		20 422	27 874	23 369	55 008	63 321	63 321	75 535	55 403	52 451	43 761
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		20 422	27 874	23 369	55 008	63 321	63 321	75 535	55 403	52 451	43 761
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		20 422	27 874	23 369	55 008	63 321	63 321	75 535	55 403	52 451	43 761
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	20 422	27 874	23 369	55 008	63 321	63 321	75 535	55 403	52 451	43 761

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

- Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote, capital expenditure by standard classification, and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
- The capital programme is funded by grants, donations where necessary and internally generated funds.
- UBuhlebezwe capital budget is mainly funded by grants with MIG and Internally generated revenue being the highest funders. It must also be noted that the electrification project is budgeted for under capital expenditure simply because whilst the project is still work in progress it becomes capital in nature; however as soon as the project is transferred to the homeowners, it then gets transferred to operational expenditure.

UBuhlebezwe Municipality Draft Budget 2024/2025

Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure - to be appropriated	2										
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		-	-	-	-	-	-	-	-	-	-
Vote 3 - Community and Social Services		-	-	-	-	-	-	-	-	-	-
Vote 4 - Housing		-	-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		-	-	-	-	-	-	-	-	-	-
Vote 6 - Road Transport		-	-	-	-	-	-	-	-	-	-
Vote 7 - Waste Management		-	-	-	-	-	-	-	-	-	-
Vote 8 - Energy Services		-	-	-	-	-	-	-	-	-	-
Vote 9 - Planning & Development		-	-	-	-	-	-	-	-	-	-
Vote 10 - Sports & Recreation		-	-	-	-	-	-	-	-	-	-
Vote 11 - Other		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 1210]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - 0		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure - to be appropriated	2										
Vote 1 - Executive & Council		720	232	-	750	819	819	819	105	110	110
Vote 2 - Finance and Admin		4 608	1 897	4 430	6 034	6 278	6 278	6 278	2 392	2 502	2 502
Vote 3 - Community and Social Services		2 009	13 647	8 418	8 977	9 752	9 752	9 752	7 710	8 065	8 065
Vote 4 - Housing		7 450	12 940	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		2 493	1 505	52	1 410	1 290	1 290	1 290	6 261	6 549	6 549
Vote 6 - Road Transport		21 882	16 930	7 638	17 222	13 941	13 941	13 941	15 713	16 436	16 436
Vote 7 - Waste Management		2 793	370	628	112	128	128	128	328	343	343
Vote 8 - Energy Services		-	-	-	4 740	3 112	3 112	3 112	12 511	13 087	13 087
Vote 9 - Planning & Development		6 212	3 405	3 542	5 630	10 523	10 523	10 523	3 357	3 512	3 512
Vote 10 - Sports & Recreation		(3 624)	3 338	11 772	14 680	15 502	15 502	15 502	8 791	9 195	9 195
Vote 11 - Other		-	-	-	50	479	479	479	435	455	455
Vote 12 - [NAME OF VOTE 1210]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - 0		-	-	-	-	-	-	-	35	36	36
Capital single-year expenditure sub-total		44 544	54 262	36 481	59 605	61 823	61 823	61 823	57 639	60 290	60 290
Total Capital Expenditure - Vote		44 544	54 262	36 481	59 605	61 823	61 823	61 823	57 639	60 290	60 290
Capital Expenditure - Functional											
Governance and administration		5 328	2 129	4 430	6 784	7 096	7 096	17 927	2 532	2 649	2 649
Executive and council		720	232	-	750	819	819	2 928	105	110	110
Finance and administration		4 608	1 897	4 430	6 034	6 278	6 278	14 999	2 427	2 539	2 539
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		8 329	31 428	20 242	25 067	26 544	26 544	108 520	22 814	23 863	23 863
Community and social services		2 009	13 647	8 418	8 977	9 752	9 752	33 177	7 710	8 065	8 065
Sport and recreation		(3 624)	3 338	11 772	14 680	15 502	15 502	25 384	8 791	9 195	9 195
Public safety		2 493	1 505	52	1 410	1 290	1 290	18 355	6 313	6 603	6 603
Housing		7 450	12 940	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	31 604	-	-	-
Economic and environmental services		23 144	16 969	11 181	22 852	24 464	24 464	87 795	19 070	19 948	19 948
Planning and development		1 262	39	3 542	5 630	10 523	10 523	16 838	3 357	3 512	3 512
Road transport		21 882	16 930	7 638	17 222	13 941	13 941	70 957	15 713	16 436	16 436
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		7 742	3 735	628	4 852	3 239	3 239	14 365	12 839	13 430	13 430
Energy sources		4 949	3 365	-	4 740	3 112	3 112	10 175	12 511	13 087	13 087
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		2 793	370	628	112	128	128	4 190	328	343	343
Other		-	-	-	50	479	479	-	435	455	455
Total Capital Expenditure - Functional	3	44 544	54 262	36 481	59 605	61 823	61 823	228 608	57 691	60 344	60 344
Funded by:											
National Government		16 334	27 903	26 243	39 499	36 857	36 857	114 878	26 993	28 635	28 635
Provincial Government		318	39	2 042	2 000	6 651	6 651	15 283	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	16 652	27 943	28 285	41 499	43 508	43 508	130 161	26 993	28 635	28 635
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		27 892	25 910	8 196	18 106	18 315	18 315	98 037	30 698	31 710	31 710
Total Capital Funding	7	44 544	53 853	36 481	59 605	61 823	61 823	228 198	57 691	60 344	60 344

1.7.6 Explanatory notes to Table A6-Budgeted Financial Position

- Table A6 is consistent with international standards of good financial management practice, and improves understand ability for councillors and management of the impact of the budget on the statement of financial position (balance sheet)
- This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version.
- Any movement on the budgeted financial performance or the capital budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalent at year end.
- Table SA3 provides a detailed analysis of the major components of a number of items, including:

UBuhlebezwe Municipality Draft Budget 2024/2025

- Call investments deposits
- Consumer debtors
- Property, Plant and equipment
- Trade and other payables
- Provisions non-current
- Change in net assets,
- Reserves

- The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets on the municipality belong to the community.

KZM434 Ubuhebezwe - Table A6 Budgeted Financial Position

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27	
R thousand												
ASSETS												
Current assets												
Cash and cash equivalents		160 472	166 415	182 290	239 488	196 295	196 295	213 896	242 825	261 328	272 766	
Trade and other receivables from exchange transactions	1	5 517	6 188	8 098	11 370	5 942	5 942	11 799	9 505	8 899	9 298	
Receivables from non-exchange transactions	1	22 080	20 648	19 873	32 272	44 715	44 715	43 478	49 758	40 560	42 383	
Current portion of non-current receivables		-	-	-	-	-	-	-	-	-	-	
Inventory	2	5 972	5 437	5 713	3 944	5 935	5 935	6 169	5 864	6 135	6 418	
VAT		(3 643)	11 755	17 722	19 247	24 662	24 662	18 720	19 564	20 464	20 985	
Other current assets		3	3	1 634	-	1 631	1 631	3 114	-	0	-	
Total current assets		190 400	210 446	235 330	306 321	279 180	279 180	297 175	327 516	337 386	351 850	
Non current assets												
Investments		-	-	-	-	-	-	-	-	-	-	
Investment property		23 248	22 905	23 722 794.00	22 812	23 564	23 564	23 669	23 433	24 511	25 613	
Property, plant and equipment	3	315 712	335 734	333 622	281 011	359 938	359 938	354 238	370 945	388 038	402 748	
Biological assets		-	-	-	-	-	-	-	-	-	-	
Living and non-living resources		-	-	-	-	-	-	-	-	-	-	
Heritage assets		4 809	4 809	4 809	82 465	4 809	4 809	4 809	4 809	5 030	5 256	
Intangible assets		4 372	3 903	3 415	3 285	3 080	3 080	2 886	3 088	3 230	3 343	
Trade and other receivables from exchange transactions		-	-	-	-	-	-	-	-	-	-	
Non-current receivables from non-exchange transactions		-	-	-	-	-	-	-	-	-	-	
Other non-current assets		-	-	-	-	-	-	-	-	-	-	
Total non current assets		348 141	367 352	365 569	389 573	391 392	391 392	385 601	402 274	420 779	436 960	
TOTAL ASSETS		538 541	577 798	600 899	695 895	670 571	670 571	682 776	729 790	758 164	788 811	
LIABILITIES												
Current liabilities												
Bank overdraft		-	-	-	-	-	-	-	-	-	-	
Financial liabilities		-	-	-	-	-	-	-	-	-	-	
Consumer deposits		(251)	(251)	(247)	-	-	-	(220)	-	-	-	
Trade and other payables from exchange transactions	4	29 374	27 603	21 890	17 659	20 737	20 737	25 343	16 170	16 914	17 675	
Trade and other payables from non-exchange transactions	5	3 826	608	5 259	21 818	608	608	2 888	-	-	-	
Provision		-	-	-	-	-	-	-	-	-	-	
VAT		(6 478)	6 693	12 750	1 409	1 861	1 861	15 445	1 828	1 912	2 000	
Other current liabilities		-	-	-	-	-	-	-	-	-	-	
Total current liabilities		26 471	34 652	39 652	40 886	23 206	23 206	43 457	17 998	18 826	19 675	
Non current liabilities												
Financial liabilities	6	-	-	-	-	-	-	-	-	-	-	
Provision	7	5 834	8 838	3 311	-	3 311	3 311	3 311	3 311	3 708	4 114	
Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-	
Other non-current liabilities		8 709	11 306	5 315	11 306	5 315	5 315	5 315	5 315	5 315	5 315	
Total non current liabilities		14 543	20 144	8 626	11 306	8 626	8 626	8 626	8 626	9 023	9 429	
TOTAL LIABILITIES		41 015	54 796	48 278	52 192	31 832	31 832	52 083	26 624	27 849	29 104	
NET ASSETS		497 526	523 002	552 621	643 703	638 739	638 739	630 693	703 166	730 315	759 707	
COMMUNITY WEALTH/EQUITY												
Accumulated surplus/(deficit)	8	497 152	522 628	554 784	643 328	638 365	638 365	630 319	702 792	729 924	759 298	
Reserves and funds	9	374	374	374	374	374	374	374	374	391	409	
Other		-	-	-	-	-	-	-	-	-	-	
TOTAL COMMUNITY WEALTH/EQUITY	10	497 526	523 002	555 157	643 702	638 739	638 739	630 693	703 166	730 315	759 707	

UBuhlebezwe Municipality Draft Budget 2024/2025

1.7.7 Explanatory notes to Table A7 - Budgeted Cash Flow Statement

- The budgeted cash flow statement is the first measurement in determining if the budget is funded.
- It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

KZN434 Ubuhebezwe - 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
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		-	-	15 864	42 213	48 459	48 459	36 252	43 925	57 432	60 074
Service charges		-	-	1 586	3 226	4 377	4 377	1 757	3 993	5 221	5 461
Other revenue		40 647	40 647	53 231	8 237	9 924	9 924	67 535	10 567	11 053	11 561
Transfers and Subsidies - Operational	1	126 943	254 350	431 600	172 196	171 543	171 543	569 259	155 669	157 385	152 767
Transfers and Subsidies - Capital	1	-	-	30 351	41 499	38 857	38 857	56 351	31 042	32 404	34 939
Interest		3 137	1 844	13 329	12 500	19 500	19 500	24 811	19 500	20 397	21 335
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		106 734	206 359	424 211	(192 462)	(202 942)	(202 942)	(537 969)	(184 623)	(193 107)	(202 287)
Interest		-	-	-	(5)	(2)	(2)	-	(2)	(2)	(2)
Transfers and Subsidies	1	-	-	-	(9 826)	(3 165)	(3 165)	-	(2 756)	(2 883)	(3 016)
NET CASH FROM/(USED) OPERATING ACTIVITIES		277 461	503 200	970 171	77 578	86 551	86 551	217 997	77 315	87 900	80 833
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		-	-	(31 019)	(67 200)	(71 131)	(71 131)	(67 355)	(66 344)	(69 396)	(69 396)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	-	(31 019)	(67 200)	(71 131)	(71 131)	(67 355)	(66 344)	(69 396)	(69 396)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		277 461	503 200	939 152	10 378	15 420	15 420	150 642	10 970	18 504	11 437
Cash/cash equivalents at the year begin:	2	-	-	-	228 631	181 056	181 056	181 056	231 855	242 825	261 329
Cash/cash equivalents at the year end:	2	277 461	503 200	939 152	239 009	196 476	196 476	331 698	242 825	261 329	272 766

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

- The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
- In essence, the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
- The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be funded.
- As part of the budgeting and planning guidelines that informed the compilation of the 2024/25 MTREF the end objective of the medium framework was to ensure the budget is funded aligned to section 18 of the MFMA.
- Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2024/25 MTREF is funded.

UBuhlebezwe Municipality Draft Budget 2024/2025

KZN434 Ubuhebezwe - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	277 461	503 200	939 152	239 009	196 476	196 476	331 698	242 825	261 329	272 766
Other current investments > 90 days		(116 989)	(336 784)	(756 862)	479	(181)	(181)	(117 801)	-	(1)	-
Non-current Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		160 472	166 415	182 290	239 488	196 295	196 295	213 896	242 825	261 328	272 766
Application of cash and investments											
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	21 818	608	608	-	-	-	-
Statutory requirements	2	-	-	-	(18 782)	(23 743)	(23 743)	(18 922)	(19 792)	(20 283)	
Other working capital requirements	3	16 814	16 683	3 530	(19 950)	(16 387)	(16 387)	(1 123)	(33 138)	(30 978)	(32 216)
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	374	374	374	374	374	391	409
Total Application of cash and investments:		16 814	16 683	3 530	(16 540)	(39 148)	(39 148)	(1 123)	(51 686)	(50 379)	(52 090)
Surplus(shortfall) - Excluding Non-Current Creditors Trf to		143 659	149 733	178 760	256 028	235 443	235 443	215 019	294 511	311 707	324 857
Creditors transferred to Debt Relief - Non-Current portion		-	-	-	-	-	-	-	-	-	-
Surplus(shortfall) - Including Non-Current Creditors Trf to		143 659	149 733	178 760	256 028	235 443	235 443	215 019	294 511	311 707	324 857

1.7.9 Explanatory notes to Table A9 - Asset Management

- Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
- National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The Municipality is working towards meeting both recommendations but the budget for UBuhlebezwe is adequate to secure the ongoing health of the municipality's infrastructure.
- UBuhlebezwe municipality has resolved to utilize internal staff when renewing assets where feasible. This has also reduced the cost of renewal of assets whilst assets are still being renewed. This was done to ensure that assets are renewed whilst lesser budget is allocated towards renewal. The cost of renewal is therefore embedded in the salaries of staff members.

UBuhlebezwe Municipality Draft Budget 2024/2025

Choose name from list - Table A9 Asset Management

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
CAPITAL EXPENDITURE										
Total New Assets	1	69 783	102 373	137 726	47 798	50 537	50 537	45 630	47 729	47 729
<i>Roads Infrastructure</i>		15 930	25 880	32 391	15 372	12 841	12 841	15 222	15 922	15 922
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		10 122	13 487	13 487	6 590	4 212	4 212	12 946	13 541	13 541
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		26 052	39 367	45 879	21 962	17 053	17 053	28 167	29 463	29 463
Community Facilities		13 598	27 244	37 296	11 657	17 851	17 851	7 236	7 569	7 569
Sport and Recreation Facilities		93	3 430	15 202	6 680	8 038	8 038	-	-	-
Community Assets		13 690	30 674	52 498	18 337	25 889	25 889	7 236	7 569	7 569
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		2 199	2 204	2 303	80	109	109	129	135	135
Housing		(142)	(100)	(100)	150	150	150	87	91	91
Other Assets		2 058	2 104	2 203	230	259	259	216	226	226
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		4 265	4 485	4 485	320	270	270	9	9	9
Intangible Assets		4 265	4 485	4 485	320	270	270	9	9	9
Computer Equipment		1 712	2 060	3 062	1 938	1 937	1 937	1 061	1 110	1 110
Furniture and Office Equipment		681	1 894	3 259	694	694	694	1 181	1 235	1 235
Machinery and Equipment		14 509	15 008	18 060	2 157	2 073	2 073	1 106	1 157	1 157
Transport Assets		6 755	6 781	6 781	1 810	1 878	1 878	6 653	6 959	6 959
Land		-	-	1 500	350	485	485	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	26 258	42 199	43 326	3 802	3 667	3 667	3 270	3 421	3 421
<i>Roads Infrastructure</i>		6 281	9 282	10 409	-	-	-	52	55	55
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	50	479	479	435	455	455
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		6 281	9 282	10 409	50	479	479	487	509	509
Community Facilities		37	37	37	-	-	-	-	-	-
Sport and Recreation Facilities		1 000	1 000	1 000	-	-	-	-	-	-
Community Assets		1 038	1 038	1 038	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		18 940	31 879	31 879	3 752	3 188	3 188	2 783	2 912	2 912
Housing		-	-	-	-	-	-	-	-	-
Other Assets		18 940	31 879	31 879	3 752	3 188	3 188	2 783	2 912	2 912
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-

UBuhlebezwe Municipality Draft Budget 2024/2025

Total Upgrading of Existing Assets	6	2 657	8 389	8 389	8 005	7 619	7 619	8 791	9 195	9 195
<i>Roads Infrastructure</i>		1 774	6 022	6 022	-	-	-	-	-	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		1 774	6 022	6 022	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	8 000	7 464	7 464	8 791	9 195	9 195
Community Assets		-	-	-	8 000	7 464	7 464	8 791	9 195	9 195
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		883	2 367	2 367	5	155	155	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		883	2 367	2 367	5	155	155	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
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	98 698	152 960	189 441	59 605	61 823	61 823	57 691	60 344	60 344
<i>Roads Infrastructure</i>		23 985	41 184	48 823	15 372	12 841	12 841	15 274	15 976	15 976
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		10 122	13 487	13 487	6 590	4 212	4 212	12 946	13 541	13 541
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	50	479	479	435	455	455
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		34 107	54 672	62 310	22 012	17 532	17 532	28 654	29 973	29 973
Community Facilities		13 635	27 281	37 333	11 657	17 851	17 851	7 236	7 569	7 569
Sport and Recreation Facilities		1 093	4 431	16 202	14 680	15 502	15 502	8 791	9 195	9 195
Community Assets		14 728	31 711	53 535	26 337	33 353	33 353	16 027	16 764	16 764
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		22 022	36 450	36 549	3 837	3 452	3 452	2 913	3 047	3 047
Housing		(142)	(100)	(100)	150	150	150	87	91	91
Other Assets		21 880	36 350	36 449	3 987	3 602	3 602	3 000	3 138	3 138
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		4 265	4 485	4 485	320	270	270	9	9	9
Intangible Assets		4 265	4 485	4 485	320	270	270	9	9	9
Computer Equipment		1 772	2 060	3 062	1 938	1 937	1 937	1 061	1 110	1 110
Furniture and Office Equipment		681	1 894	3 259	694	694	694	1 181	1 235	1 235
Machinery and Equipment		14 509	15 008	18 060	2 157	2 073	2 073	1 106	1 157	1 157
Transport Assets		6 755	6 781	6 781	1 810	1 878	1 878	6 653	6 959	6 959
Land		-	-	1 500	350	485	485	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		98 698	152 960	189 441	59 605	61 823	61 823	57 691	60 344	60 344

UBuhlebezwe Municipality Draft Budget 2024/2025

ASSET REGISTER SUMMARY - PPE (MDV)	5	348 204	367 415	365 632	389 573	391 392	391 392	402 274	420 779	436 960
<i>Roads Infrastructure</i>		119 614	117 607	111 612	108 791	106 568	106 568	112 982	118 179	122 758
<i>Storm water Infrastructure</i>		(3 272)	(3 272)	(3 272)	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		10 122	13 487	13 487	6 590	4 212	4 212	12 946	13 541	13 541
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	50	479	479	435	455	455
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		(962)	(1 048)	(1 048)	-	-	-	-	-	-
Infrastructure		125 502	126 774	120 779	115 431	111 259	111 259	126 362	132 175	136 754
Community Assets		114 482	124 829	128 557	150 664	155 939	155 939	150 087	156 991	163 291
Heritage Assets		4 809	4 809	4 809	82 465	4 809	4 809	4 809	5 030	5 256
Investment properties		23 248	22 905	23 723	22 812	23 564	23 564	23 433	24 511	25 613
Other Assets		47 089	58 430	56 604	(15 359)	61 260	61 260	59 544	62 283	64 943
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		4 372	3 903	3 415	3 285	3 080	3 080	3 088	3 230	3 343
Computer Equipment		2 755	2 434	2 412	2 551	4 019	4 019	2 972	3 108	3 228
Furniture and Office Equipment		615	1 336	2 181	2 761	2 911	2 911	3 477	3 637	3 744
Machinery and Equipment		17 704	16 328	17 562	15 510	15 212	15 212	13 623	14 249	14 837
Transport Assets		7 627	5 666	4 090	3 142	2 891	2 891	8 569	8 963	9 052
Land		-	-	1 500	6 311	6 446	6 446	6 311	6 602	6 899
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (MDV)	5	348 204	367 415	365 632	389 573	391 392	391 392	402 274	420 779	436 960
EXPENDITURE OTHER ITEMS		39 283	35 185	38 060	40 265	43 414	43 414	44 428	46 472	48 627
Depreciation	7	32 935	27 946	29 272	36 000	36 000	36 000	36 000	37 656	39 388
Repairs and Maintenance by Asset Class	3	6 349	7 239	8 788	4 265	7 414	7 414	8 428	8 816	9 239
<i>Roads Infrastructure</i>		4 371	4 970	6 076	555	2 155	2 155	4 199	4 392	4 612
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		40	-	-	10	10	10	50	52	55
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		4 411	4 970	6 076	565	2 165	2 165	4 249	4 445	4 666
Community Facilities		-	-	-	5	-	-	5	5	5
Sport and Recreation Facilities		0	-	-	-	-	-	-	-	-
Community Assets		0	-	-	5	-	-	5	5	5
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		411	332	853	1 078	878	878	894	935	978
Housing		-	-	-	-	-	-	-	-	-
Other Assets		411	332	853	1 078	878	878	894	935	978
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		57	19	206	230	-	-	646	676	707
Furniture and Office Equipment		104	35	(18)	165	165	165	173	181	190
Machinery and Equipment		357	509	728	1 321	2 956	2 956	1 761	1 842	1 927
Transport Assets		1 008	1 374	943	900	1 250	1 250	700	732	766
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		39 283	35 185	38 060	40 265	43 414	43 414	44 428	46 472	48 627

UBuhlebezwe Municipality Draft Budget 2024/2025

1.7.10 Explanatory notes to Table A10 - Basic Service Delivery Measurement

- Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services. The Municipality continues to make good progress with the eradication of backlogs:
- The number of households registered for indigent in 2024/2025 is expected to increase therefore entitled to receiving Free Basic Services, this is covered by municipality's equitable share.

KZN434 Ubuhezwe - 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)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>										
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>										
Total number of households	5									
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)		-	-	-	-	-	423	423	423	423
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>							423	423	423	423
Total number of households	5						423	423	423	423
Refuse:										
Removed at least once a week		-	-	-	-	-	97	97	97	97
<i>Minimum Service Level and Above sub-total</i>							97	97	97	97
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						97	97	97	97
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)		-	-	-	-	-	600	600	600	600
Refuse (removed once a week for indigent households)		-	-	-	-	-	51	51	51	51
<i>Informal Settlements</i>										
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)										
Total cost of FBS provided	8						651	651	651	651
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		(9 416)	(9 717)	(10 082)	(14 055)	(14 075)	(14 075)	(14 693)	(15 369)	(16 076)
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
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									
		(9 416)	(9 717)	(10 082)	(14 055)	(14 075)	(14 075)	(14 693)	(15 369)	(16 076)

PART 2

2.1 OVERVIEW OF ANNUAL BUDGET PROCESS

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

The Budget Steering Committee consists of the Executive Committee members, the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Mayor.

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

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

2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH INTERGRATED DEVELOPMENT PLAN

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

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

The details of all revenue, operational expenditure and capital expenditure which are aligned to the goals and action plans in the Integrated Development Plan are outlined in the supporting documentation **S4 to S6**.

2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

Borrowing Management

The municipality currently does not have external borrowings. The municipality's credit worthiness has not been assessed; however, there are no plans to utilize this facility in the next two financial years.

Debtors and Creditor's Management

Creditors are paid twice a month in order to cater for SMME's and in order to avoid late payments thereby incurring interests.

The Credit Control and Debt collection policy was adopted to tighten up debt collection. Furthermore, the municipality utilizes services of debt collectors to collect from all defaulting debtors.

2.4 OVERVIEW OF BUDGET RELATED-POLICIES

The municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies, and related policies.

All the above policies are available on the municipality's website.

1. Budget Policy.
2. Virement Policy.
3. Rates Policy.
4. Banking and Investment Policy.
5. Bad debt written off and provision for bad debt policy.
6. Credit control and Debt collection Policy.
7. Assets Management Policy.
8. Inventory Policy.
9. SCM policy on Infrastructure and delivery management.
10. Indigent Policy
11. Contract management.
12. Assets Disposal Policy.
13. Funding and Reserves Policy.
14. MFMA Circular 97 – Cost Containment Measures 2019
15. General Rates and Refuse Tariffs

2.5. OVERVIEW OF BUDGET ASSUMPTIONS

The Draft budget was prepared in accordance with guidelines and assumptions as outlined in Municipal Budget and Reporting Regulations, 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 regards to grants allocation in terms of revised DORA.
- 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

2.6 OVERVIEW OF BUDGET FUNDING

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue from grant funding. Other funding is derived from Property rates, driver's licences, investments, rentals and operating and capital grants and other minor charges (such as building plan fees, licenses and permits etc).

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

- Growth in the municipal area and economic development;
- Revenue management and enhancement;
- National Treasury guidelines;
- Achievement of full cost recovery of specific user charges;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels such as Town planning.

2.7 ANNUAL BUDGETS AND SDBIPs –INTERNAL DEPARTMENT

ATTACHED AS A SURPORTING DOCUMENT

2.8 CONTRACTS HAVING BUDGETARY IMPLICATIONS

The municipality does not have contracts that go beyond the current Draft budget year and the two outer years.

In terms of the municipality's supply chain management policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the bid evaluation and adjustment committees must obtain formal financial comments from the Financial Management Division of the Budget and Treasury Office Department.

2.9 LEGISLATION COMPLIANCE STATUS

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

- **Internship programme**

The Municipality is participating in the Municipal Financial Management Internship programme and has employed interns undergoing training in various divisions of the Financial Services Department.

- **Budget and Treasury Office**

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

- **Audit Committee**

An Audit Committee has been established and is fully functional.

- **Annual Report**

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