

# **uMNGENI MUNICIPALITY**



## **ANNUAL BUDGET 2024/25 TO 2026/27 MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS**

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## Abbreviations and Acronyms

ASGISA	Accelerated and Shared Growth Initiative	MBRR	Municipal Budget & Reporting Regulations
BPC	Budget Planning Committee	MEC	Member of the Executive Committee
CFO	Chief Financial Officer	MFMA	Municipal Financial Management Act
CM	Municipality Manager	MIG	Municipal Infrastructure Grant
CPI	Consumer Price Index	MPRA	Municipal Properties Rates Act
CRRF	Capital Replacement Reserve Fund	MSA	Municipal Systems Act
DBSA	Development Bank of South Africa	MTEF	Medium-term Expenditure Framework
DoRA	Division of Revenue Act	MTREF	Medium-term Revenue and Expenditure Framework
EE	Employment Equity	NERSA	National Electricity Regulator South Africa
EEDSM	Energy Efficiency Demand Side Management	NGO	Non-Governmental Organisations
FBS	Free basic services	NKPIs	National Key Performance Indicators
GDP	Gross Domestic Product	OHS	Occupational Health and Safety
GFS	Government Financial Statistics	OP	Operational Plan
GRAP	General Recognised Accounting Practice	PBO	Public Benefit Organisations
HR	Human Resources	PMS	Performance Management System
IDP	Integrated Development Plan	PPE	Property Plant and Equipment
IT	Information Technology		
kl	kilolitre	SALGA	South African Local Government Association
km	kilometre	SAPS	South African Police Service
KPA	Key Performance Area	SDBIP	Service Delivery Budget Implementation Plan
KPI	Key Performance Indicator		
LED	Local Economic Development	SMME	Small Micro and Medium Enterprises
M	Mayor		

# **Part 1 – Annual Budget**

## **1.1 Mayor’s Report**

### **SPEECH BY THE MAYOR OF uMNGENI MUNICIPALITY**

**CLLR CJ PAPPAS PRESENTED TO THE MUNICIPAL COUNCIL THE 2024/2025, 2025/2026 AND 2026/2027 ANNUAL BUDGET TO BE HELD AT THE MUNICIPAL COUNCIL CHAMBERS, ON FRIDAY 17<sup>th</sup> MAY 2024**

Madam Speaker,  
Deputy Mayor, Cllr Mnikathi  
Members of the Executive Committee,  
Councillors from all political parties,  
Amakhosi and Izinduna present today,  
Members of the Parliament and the Provincial Legislature with us here today,  
Municipal Manager, Mr Hloba  
Directors,  
Members of the uMngeni Municipal staff  
Community stakeholders and partners for progress  
Members of the Media  
Ladies and gentlemen,

Once again we gather to share with the people of the uMngeni Municipality the plans for the new financial year as well as reflect on some of the challenges that we must resolve as we continue to rebuild the uMngeni Municipality after 27 years of poor leadership, mismanagement and skewed priorities.

It seems like only yesterday that the new administration tabled its first full budget. A budget that had to deal with many legacies including unfinished projects, creditors that were owed millions of Rands, poor internal controls, and a qualified audit opinion.

Since then the council, including the committees, EXCO, external oversight bodies, and of course the municipal staff have been working under intense pressure to rapidly change and improve the operations at the municipality. I would like to extend my appreciate to all councillors and staff for their input and work towards ensuring that we make progress and turning uMngeni into a beacon of excellence in KwaZulu-Natal.

Of course, one does not fix something as big as a municipality in two and a half years. The full recovery of uMngeni will take at least 10 years if we continue at the rate at which we are going: which should be commended. However, we have rescued uMngeni from continual decline and have positioned the institution on a firm path towards full recovery.

I have repeatedly said that the municipality does not belong to any one mayor or any one political party. The municipality belongs to the people of uMngeni. It should continuously strive to be an institution that delivers quality services, builds safer communities and supports sustainable social and

economic development. In the interests of transparency, it is important that I highlight the challenges that we have faced over the last financial year as well as those that we must still overcome.

We were unable to realise a number of projects this year. This was largely due to the collapse of the supply chain system in the municipality. With limited capacity, abuse, irregularities and inability to make progress, the decision was taken to completely overhaul the supply chain department. I am pleased to submit to this council that we have fully capacitated the Supply Chain unit. Five new staff members were hired and have begun to catch up on backlogs in procurement, contract management, and acquisitions. We have also introduced a new electronic management system to the municipality to strengthen accountability, monitoring and evaluation.

Over the past 2 years we have seen 9 senior managers leave the municipality for various reasons ranging from disciplinary related, performance related, personal issues or new career prospects. This has created some instability in the institution at a senior level placing strain on the municipal manager and mayors office respectively. However, with these vacancies some an opportunity to get new blood into the system. We are pleased to welcome at least 40 new permanent staff members into the institution further building capacity and reinvigorating the workplace. We welcome, amongst others Mrs Nzuzi, Mr Khomo, Mr Jones, Mrs Mncube, Mr Zondi, Mrs Van Den Berg and Ms Hlatshwayo: who unfortunately will be leaving us at the end of May to be closer to her family and for new work opportunities. We thank her for her service. In the next two months we will welcome two new directors in the Community Services and Public Safety Directorate as well as in the Directorate for Administrative Support Services. I would also like to take this opportunity to thank Mr Buthelezi for his service to the municipality. Mr Buthelezi leaves us as the Director Administrative Support Services at the end of May.

Debt collection has improved although it is not where we would like it to be. The municipality established a specialised debt collection unit in Hilton. This unit has been focus on high value debtors. The approach being used is to issue Section 129 notices, which are final notices, to debtors. Failure to respond to these notices leads to legal action. The municipality has begun to seek default judgments against these debtors. We have seen a steady improvement of recovery since initiating this programme. As the new unit gains experience, we anticipate that results will improve. We must inculcate a culture of payment now and for future administrations.

Electricity theft remains the single biggest threat to the municipality's financial sustainability. Although we have increased disconnection effort this has proven ineffective. It is for this reason that a decision was taken to directly implement hard disconnections for defaulting customers. The municipality cannot sustain R70 – R80 million losses every year against a backdrop of declining revenue: mainly due to solar installations. The winter contingency plan is being finalized and should assist to reduce peak losses. This issue is not a politically popular one but the municipality cannot survive with these type of losses.

The national government in its budget presentation in parliament announced that grant funding to municipalities will be cut due to financial challenges. The inability of the national government to manage its budget, cut wasteful expenditure, and curtail rampant corruption is now impacting on local governments throughout South Africa. Municipalities are the coal face of service delivery and budget cuts mean less service delivery. This is devastating, especially for small municipalities.

Inflation has remained stubbornly high with pressure being exerted on household spending. Stats SA released the latest employment figures which show that unemployment continues to rise. A sign that policy and governance interventions are not having the desired effect on the economy. Confidence amongst investors remains low with the effects of the National and Provincial elections being felt as

capital waits for the outcome of the election. However, even prior to this growth had slowed to less than 1% at the end of 2023. All these factors are making life increasingly more difficult for every day South Africans as well as the municipalities they reside under. uMngeni is no different. The effects are more people coming to the municipality for assistance with a diminishing ability to assist.

Sever weather incidents have set the municipality back considerably. Heavy rains, many days of wet weather, and high winds have meant that the municipality has incurred unbudgeted for costs to repair damaged infrastructure and in mop up operations. The freak storm in January caused just under R2 million worth of unbudgeted for spending. Heavy and persistent rains continue to damage the gravel and black top road network. Despite submitting two requests to National and Provincial government for assistance with a combined value of over R300 million, we were only allocated R7 million towards disaster relief. Adverse and severe weather will continue to hamper our efforts to reconstruct and develop the region.

Against this backdrop the uMngeni Municipality has developed the following budget and forecasts.

Total revenue is projected to increase from R577.9 million to R614.6 million. The biggest contribution to this revenue is rates which is anticipated to be R271.1 million followed by electricity at R173.5 million. R105.4 million is allocated to the equitable share as per the DORA. In structuring the 2024/2025 budget extensive research and bench marking was done against other similar sized municipalities in KwaZulu-Natal and the country. In trying to bring our municipality in line with national norms there have been decreases in the rebates offered to properties classified as rural residential. This seems to be an anomaly in uMngeni. Furthermore, some areas will be systematically re-categorized as they now fall within the urban edge of the Spatial Development Framework. Rates increases will by 5.6% across the board. This is slightly higher than inflation to cater for the differential increase in commodity process such as bitumen and other important goods. Furthermore, refuse remove increase to ensure that the municipality is able to cover the cost of supply.

Comparatively uMngeni was charging a significantly lower tariff which upon inspection we found that other revenue streams were supplementing refuse collection. Directorate will continue to be under pressure to find new revenue streams and we commend those directorates that have improved collection. This targets will be set in the SDBIP which will be tabled shortly after the budget. Progress has been made to improve on revenue collection including on rentals, leases, rates, and other sources such as licence and fees.

The Hilton specialised collections unit will also be strengthened to more aggressively tackle outstanding accounts. Various options to reduce electricity losses are being considered including outsourcing electricity operations, handing back certain distribution licences to Eskom, load reduction, criminal cases for those facilitating illegal connections, and hard disconnections. In order to supplement the infrastructure spend, the municipality is exploring an infrastructure loan with the Development Bank of South Africa. In the past loans have been used to pay Eskom and salaries and this has been a huge drain on the fiscus.

Municipal expenditure is expected to increase from R587 million to R614.1 million in 2024/2025. The largest single line item is bulk purchases on electricity set at R215 million (35% of budget). Employee related costs remains stable at 26% of the budget, well below the 40% maximum recommend amount. Operational expenditure has been increased on a number of line items by 4.9% in line with Treasury guidelines. However, I am pleased that our efforts to implement a zero based budgeting process is tacking hold and gaining ground. Many budget votes have been assessed against a zero base.

Expenditure in the first three quarters of 2023/2024 was slow to average. This was largely due to the collapse of the supply chain and the subsequent interventions to rebuild it from the ground up. Expenditure and contract management has since improved and there is good progress being made through the whole supply chain. Portfolio Committees have been carefully monitoring procurement plans on a monthly basis.

By critically scrutinizing the municipal budget we have been able to realize year on year savings. This include interventions such as internalizing VAT collection, reduce use of consultants, rotating electricity meter reading, and digitizing our billing system. All these savings can be redirected to core service deliery.

Although expenditure is set to increase in the MTERF, increasing costs and the economic climate as well as loadshedding, mean that the municipal budget is severely constrained.

Madam speaker, the priorities of the Municipality as captured in the IDP are:

- 1) Infrastructure development and maintenance
- 2) Building safer communities
- 3) Transparent and responsive governance
- 4) Sustainable financial management
- 5) Waste and the environment
- 6) Jobs and a growing economy

It is within this priorities that we allocate the following budget.

#### Infrastructure development and maintenance

Treasury guides that 8% of budget should be spent on maintenance. We have not achieved this 8% target largely due to the need to completely recapitalise infrastructure (especially roads) as opposed to simply repair it. This means that we are indeed increase repairs and maintenance of infrastructure however the nature of the repairs are classified as capital investments and nor general repairs and maintenance. I am satisfied that the year on year increase in maintaining and recapitalising our assets is progressing well. Consultation with communities and councillors indicates that roads related issues is the biggest priority. Thus, an amount of R48.8 million will be allocated to road repairs, roads rehabilitation and road construction. R17 million is allocated to MIG projects including R2 million bus shelters, the completion of Mtholapilo walkway, R3 million for Fordoun Rd, and R9 million various gravel roads. Roads maintenance increase from R7 million at the start of the 2023/2024 financial year to R13 million at the start of this year with R20 million being allocated to capital work. Electricity networks both LV and MV networks receiving and increase. Allocations have been made for new street lights in various areas. Municipal Halls, libraries, museums, offices and facilities receive an increase with and additional R1.2 million allocated to the Nxamalala Hall and R500 000 for fencing. In order to increase our capacity to deliver, the municipality will purchase a new grader.

#### Building safer communities

Budget has been made available to hire 5 traffic wardens. This will increase our capacity to enforce the law. In addition to the vehicle that will be received in June the municipality has budgeted for another vehicle in the next financial year. Phase 2 of the CCtv network will be rolled out. CPFs will continue to receive an allocation of R20 000.00 each. Provisions have been made for the large animal pound service, fire breaks, the continued support for the LRFPA, as well as support for the uMngeni Community Security Initiative. Budget has been allocated towards the promulgation of a new by law that will deal with nuisance issues such as noise, animal control, property management, etc.



### Transparent and responsive governance

To strengthen the Internal Audit unit the establishment of 2 new positions will be funded. This will help to strengthen accountability and internal controls. The audit committee, Municipal Financial Disciplinary Board and the newly established Risk Committee will all receive support through budget allocations. Communications budgets have been increased to continue to improve our engagements with the public. Although many functions under our social programmes are not municipal competencies, the municipality will continue to support social programmes. ECD centres, senior citizens, HIV/GBV/Drug related, the disabled, and the youth programmes will all receive the same or increased budgets. Most of this work is done through NPOs, some of them are here with us today. Two public wifi points are planned before the end of June. A further 2 public wifi spots will be added in the new financial year. The legacy of the past has left many people with security of tenure. Allocations have been made to enhance the title deeds restoration programme. Working with the Free Market Foundation we have already secured nearly 50 title deeds for those who previously did not have. An important one for me, while some political parties spent million of rands on Imbizos at Yarrow only to be completely embarrassed after lying to the media about a house that was destroyed, the uMngeni Municipality is responding meaningfully. 6 people in the Yarrow village received building materials to improve their living conditions. This programme will be expanded in the next financial year. Imagine how many people could have been assisted if the money for the imbizo had been spent on boreholes and houses instead of political grandstanding.

### Waste and the environment

As the cost of supply and the recovery of those costs improve, we will be able to improve our refuse service. This year we expanded our collection routes into the rural areas of Karkloof, Curry's Post, Lidgetton, Loteni and Fort Nottingham. In the new year a tipper truck and a TLB will be purchased to improve illegal dumpsite clearing. We were fortunate this year to be able to send a team of 8 people to Harvard University (all expenses paid) to be part of an executive leadership course. The project that the team has undertaken relates to waste management. Additional skip bins have been ordered for the new skip truck and we will continue to add in the new year. The first allocation towards environmental programmes took place this year. We have increased the allocation in the next year showing our commitment to the environment. I am pleased that we have reestablished the Parks and Gardens department. Well-done to Mr Jones who has worked under difficult circumstances but is showing good progress. We have made further allocations to the parks department for new tractors, grass cutting equipment, and vehicles. Our partnerships with NPOs and conservancies will in the waste and environmental space will be expanded this coming year as our partnership based model of delivery bears fruit.

Ladies and gentlemen, madam speaker, the budget is not only about the numbers but also about policy. The following policy recommendations are table to council today for consideration.

- 1) The uMngeni Municipality will continue to offer the highest amount of free basic electricity in the Province of KwaZulu-Natal. Vulnerable and poor residents with a household income of R5000 or less will qualify for 200kw/h free electricity.
- 2) Residents qualifying for the old age rebates will no longer need to apply every year. The validity period for an approved application will be three years. Those who have already been approved in the 2023/2024 financial year will automatically have their applications renewed.
- 3) In recognition of the social and economic condition both current and those caused by historic injustices, the uMngeni Municipality will only start rating properties from a value of R350 000.00 and above. Poor, elderly and geographically marginalized people have had the burden of increase debts with the municipality with a decreasing ability to pay. These are your RDP type dwellings, rural villages, and certain areas formally classified as townships. The introduction of this measure aims to

reduce the debt burden on those that live below the poverty line or those who simple have no means to pay.

4) The rate randage schedule has been updated.The introduction of individualized randages for different properties should assist in bringing the municipality inline with the rest of the country and improve revenue slightly.

I would like to make the following announcement for public interest, after a long tender process the municipality has appointed First National Bank as the new banking service provider. We thank ABSA for their service. FNB and the finance department will ensure a smooth transition to the new banking provider.

Madam speaker, to highlight some of the budget allocations for this year I provide the following summary:

R1 million allocated for mast lights and new street lights

R1.2 million allocated for Nxamalala Hall

R4.2 million allocated for grass cutting and tree cutting

R3.5 million for halls, and facilities maintenance

R360 000 for Love Howick beautification and skills programmes

R260 000 for the SPCA

R150 000 for the Lions River Fire Protection Association

R150 000 for HIV/Drug/GBV programmes

R120 000 for youth in business

R14.2 million for roads maintenance

R20 million for roads capital (excluding MIG)

R14 million for the new Sub Station in Mpophomeni now called the Mthinzi Sub.

R200 000 for mud houses programme

R2.3 million for planning professional fees which includes various studies and plans

R3 million for Fordoun access road

R2 million for bus shelters

R200 000 grant in aid for NPOs

R100 000 for disability programmes

R8.5 million allocated to new vehicles include a TLB, grader, tipper truck, tractor, bakkie, and traffic vehicle

R2.1 million for the landfill site infrastructure and R2 million for the study into the new cell

R1 million allocated for Mpophomeni trading complex

R1.4 million allocated to finding new municipal offices as space constraints now hampers work operations

R1.9 million allocated for LED programmes including agriculture, SMME, informal trade, and tourism

R15 million allocated for repairs and maintenance of electricity infrastructure

The following budget has been check with Provincial Treasury and has been deemed to be a funded budget.

Madam speaker there is no doubt that the new administration continues to make progress despite the many challenges that are thrown at us. Our fortitude, resilience and determination will surely carries us through and ensure that the vision of becoming a beacon of excellence in KwaZulu-Natal.

I would like to thank all councillors from all political parties for their inputs into the budget, the staff in the finance department for helping to compile a funded budget, as well as all directorates for their inputs into the budget. A special thank you to Ms Baneli Msomi and Mr Sandile Makhaye who spend

hours on the budget and the IDP every year as well as to Mr Mgaga for his professionalism in organising the various Izimbizo and public meetings.

Thank you to you madam speaker for guiding this council and to the Deputy Mayor for his agility and trustworthiness in leading this municipality.

With a month and a half left until the end of the financial year we still have a number of projects to complete and a number of hurdles to overcome.

We can be proud to have completed an up to date asset register, implemented cascaded performance management, introduced electronic SCM systems, and most importantly, maintained an Unqualified Audit Opinion for the second year running.

In addition to these important achievements I would like to highlight the following success this year so far:

- The purchase of new vehicles, plant and equipment (bulldozer, traffic vehicle, cab truck, two double cabs, single cab)
- The introduction of a new security tender that has saved us at least R4 million
- The finalisation of the new banking service provider
- A roads capital spend of R23 million. The highest in the history of the municipality
- The roll out of refuse collection and grass cutting programmes in rural areas
- The improved service offered to farming villages
- The support offered to NPOs, senior citizens, small businesses, the youth, and the disabled
- The purchase of a tractor and disc for small scale farmers
- The refurbishment of trading stalls
- The commencement of the Howick Falls precinct upgrades
- The introduction of a CCtv camera network and new control room as the new police station
- The improvements in the landfill site compliance
- The establishment of a new SCM unit
- Tackling of the UIFW of previous years
- In completion and promulgation of the uMngeni Waste Management by law
- The improved communication systems of the municipality including a whatsapp line, toll free line, and 5 social media channels

Thank you Mr Hloba, the Municipal Manager, for another difficult year. As one former President says, yinde lendle esihambayo. But indeed we are making progress and turning uMngeni around.

Let us keep making progress together.

Thank you.

## 1.2 Executive Summary

From the onset it is both prudent and imperative to outline that there are modifications in our overall budget.

The total operating income is set at R 614,6m while the total operating expenditure was R614,1m with the projected surplus of R 432k presented to the Council meeting on 17 May 2024.

The application of sound financial management principles for the compilation of the uMngeni 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.

The Municipality's business and service delivery priorities are reviewed as part of this year's planning and budget process. Where appropriate, funds will be transferred from low- to high-priority programmes to maintain sound financial stewardship. A critical review will be undertaken of expenditures on non-core and 'nice to have' items. Key areas where savings can be realized will be on telephone and internet usage, printing, workshops, travel, accommodation, and catering.

The Municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers.

National Treasury's MFMA Circular No. 128 was used to guide the compilation of the 2024/25 MTREF.

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

- The ongoing difficulties in the national and local economy ;
- Aging and poorly maintained roads and electricity infrastructure;
- The need to reprioritise projects and expenditure within the existing limited resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk electricity is placing an upward pressure on service tariffs to residents, which is due to current economic circumstances, this may lead to a point where services will no-longer be affordable;
- Wage increases for municipal staff of 4.9% that continue to increase.

The following budget principles and guidelines directly inform the compilation of the 2024/25 MTREF:

- The 2023/24 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2024/25 annual budget;
- Intermediate service level standards will be used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;

- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

Fiscal constraints mean that transfers to municipalities will grow more slowly in the period ahead than they have in the past. Accordingly, municipalities must renew their focus on core service delivery functions and reduce costs without adversely affecting basic services. Furthermore, they must ensure that efficiency gains, eradication of non-priority spending (cost containment measures and the reprioritisation of expenditure relating to core infrastructure continue to inform the planning framework.

The state of the economy has an adverse effect on the consumers. As a result, municipalities' revenues and cash flows are expected to remain under pressure.

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

**Table 1 Consolidated Overview of the 2024/2025 MTREF**

Total operating revenue has increased by 6 per cent or R36,6m for the 2024/2025 financial year when compared to the 2023/2024 Adjustments Budget. For the two outer years, operational revenue will increase by R39,8 million and increase by R 47,0 million respectively.

Details	Adjustment Budget 2023/2024	Budget Year 2024/2025	Budget Year 2025/2026	Budget Year 2026/2027
Total Operating Revenue	577,974,235.00	614,613,131.00	654,428,698.00	701,525,932.00
Total Operating Expenditure	587,055,612.00	614,180,376.00	653,932,333.00	700,955,608.00
Surplus/(deficit) for the year	(9,081,377.00)	432,755.00	496,365.00	570,324.00
Total Capital Expenditure	93,627,472.00	79,810,523.00	70,204,554.00	73,511,931.00

Total operating expenditure for the 2024/2025 financial year has been appropriated at R 614m and translates into a budgeted surplus of R 432k. When compared to the 2023/24 Adjustments Budget, operational expenditure has increased by R 27,1m or 5 per cent in the 2024/2025 budget and increases by 6 and 7 per cent for each of the respective outer years of the MTREF. The operating surplus for the two outer years is R 496k and R 570k respectively. These surpluses will be used to fund capital expenditure and to further ensure cash backing of reserves and funds.

The capital budget of R 79,8m for 2024/2025 is less when compared to the 2023/2024 Adjustment Budget.

### 1.3 Operating Revenue Framework

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

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

- National Treasury’s guidelines (MFMA Budget Circular 128) and macroeconomic policy;
- Electricity tariff increases as approved by the National Energy Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to electricity;
- 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.

The following table is a summary of the 2024/2025 MTREF (classified by main revenue source):

**Table 2 Summary of revenue classified by main revenue source**

KZN222 uMngeni - 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
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	83,433	93,539	94,406	156,164	158,599	158,599	92,189	173,524	195,368	221,565
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	7,872	9,370	11,845	10,752	13,811	13,811	9,903	16,069	16,808	17,565
Sale of Goods and Rendering of Services		3,647	3,530	4,251	5,609	6,039	6,039	3,835	6,335	6,626	6,925
Agency services		-	-	-	-	-	-	-	-	-	-
Interest		1,180	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		2,403	3,429	3,990	4,308	4,409	4,409	3,053	4,625	4,837	5,060
Interest earned from Current and Non Current Assets		1,715	2,533	3,520	3,030	3,030	3,030	3,073	3,176	3,324	3,474
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		1,278	1,671	2,152	1,370	1,375	1,375	1,263	1,442	1,508	1,576
Licence and permits		2,193	1,812	1,841	2,445	2,566	2,566	2,370	3,922	4,102	4,287
Operational Revenue		348	2,667	651	1,563	789	789	1,929	826	747	781
<b>Non-Exchange Revenue</b>											
Property rates	2	219,869	231,694	238,062	253,564	255,064	255,064	217,736	271,175	283,649	296,697
Surcharges and Taxes		27	75	0	-	-	-	-	-	-	-
Fines, penalties and forfeits		2,317	1,402	1,493	2,957	3,105	3,105	1,798	3,257	3,407	3,560
Licences or permits		1,322	1,879	978	1,954	1,173	1,173	761	-	-	-
Transfer and subsidies - Operational		99,957	106,605	101,039	114,187	114,022	114,022	106,176	115,580	118,696	123,977
Interest		11,975	15,940	10,214	13,677	13,677	13,677	10,304	14,349	15,008	15,698
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	585	316	316	316	-	331	347	362
Other Gains		-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>439,536</b>	<b>476,146</b>	<b>475,028</b>	<b>571,897</b>	<b>577,974</b>	<b>577,974</b>	<b>454,389</b>	<b>614,613</b>	<b>654,429</b>	<b>701,526</b>

**Table 3 Percentage apportionment in revenue by main revenue source**

Description	Adjustments Budget Year 2023/2024	Budget Year 2024/2025	%	Budget Year 2025/2026	%	Budget Year 2026/2027
<b>Revenue By Source</b>						
Property rates	255,064,477	271,174,940.00	44%	283,648,986.00	43%	296,696,839.00
Service charges - electricity revenue	158,598,877	173,523,779.00	28%	195,368,390.00	30%	221,564,520.00
Service charges - refuse revenue	13,811,070	16,069,108.00	3%	16,808,287.00	3%	17,564,660.00
Rental of facilities and equipment	1,374,766	1,442,130.00	0%	1,508,468.00	0%	1,576,348.00
Interest earned - external investments	3,029,552	3,178,000.00	1%	3,324,188.00	1%	3,473,777.00
Interest on outstanding debtors	18,086,108	18,972,327.00	3%	19,845,054.00	3%	20,757,927.00
Fines, Penalties and Forfeits	3,104,681	3,256,810.00	1%	3,406,623.00	1%	3,559,921.00
Licences and permits	3,738,669	3,921,864.00	1%	4,102,269.00	1%	4,286,871.00
Transfers recognised - operational	114,021,991	115,580,070.00	19%	118,696,160.00	18%	123,977,153.00
Other revenue	7,144,044	7,494,103.00	1%	7,720,273.00	1%	8,067,916.00
<b>NET OPERATING INCOME</b>	<b>577,974,235.00</b>	<b>614,613,131.00</b>	<b>100%</b>	<b>654,428,698.00</b>	<b>100%</b>	<b>701,525,932.00</b>

Revenue generated from rates and service charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise more than two thirds of the total revenue mix. In the 2023/2024 financial year (adjusted budget), revenue from rates and services charges totalled R 427m. This increases to 460m, R495m and R 535m in the respective financial years of the MTREF. This growth can be mainly attributed to the new valuation roll and the increased share that the sale of electricity contributes to the total revenue mix, which in turn is due to rapid increases in the Eskom tariffs, for bulk electricity. Details in this regard are contained in Table 52 MBRR SA1 (see page 83).

Property rates are the largest revenue source totalling 44 per cent or R271m and increases to R 283m by 2025/2026. The second largest source is user charges for services which consists of sale of electricity and refuse removal charges. Operating Grants & Subsidies are the third largest revenue source totalling 19per cent in 2024/2025 and is kept to 28 per cent in 2025/2026. Departments have been urged to review the tariffs of items like building plan fees, connection fees, advertisements and permits and licenses on an annual basis to ensure they are cost reflective and market related.

Operating grants and transfers totals R 115,5m in the 2024/2025 financial year and increases to R 118,6 million by 2025/2026. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

**Table 4 Operating Transfers and Grant Receipts**





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

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases more than the 4,9 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increases in Eskom bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the control of the Municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability.

It must also be appreciated that the consumer price index, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

### **1.3.1 Property Rates**

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circulars No. 107 and 108 deals, inter alia, with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0.25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). In addition to this rebate, a further R115 000 reduction on the market value of a property will be granted in terms of the Municipality's own Property Rates Policy;
- No rebate will be granted on all residential properties;
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;
- For pensioners, physically and mentally disabled persons, a maximum/total rebate of 75 per cent will be granted to owners of rate-able property if the total gross income of the applicant and/or his/her spouse, if any, does not exceed R13000 per month. In this regard the following stipulations are relevant:

- The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependants without income;
  - The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension.
  - The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
  - The property must be categorized as residential.
- The Municipality may award an 75 per cent grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply to the Council in the prescribed format for such a grant.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2024/2025 financial year based on the proposed rate randage of 0.01 cents and 0,0143c in the Rand from 1 July 2024 is contained below:

**Table 5 Comparison of proposed rates to be levied for the 2024/2025 financial year.**

USE CODES 2024/2025					
uMngeni Municipality: General Valuation Roll (GVR) Property Categories & Rate Randage: 2024/2025					
PROPERTY CATEGORIES	Rating Use Code	Exemption	Additional Rebate	Proposed Rate Randage 2024/2025 (Cents in R1.00)	Guidelines / Period of Implementation
<b>Category 1: Residential</b>					
Urban	A01	R 130 000.00	0%	0.0100	Pensioner Discount applies on application for free standing properties and whom are pensioners, apportionment of common property to be included in unit values
Rural	A02	R 130 000.00	25%	0.0100	
Retirement Estates	A03	R 130 000.00	20%	0.0100	
Old Age Homes	A04	R 130 000.00	20%	0.0100	
Communal	A05	R 130 000.00	0%	0.0100	
<b>Category 2: Business &amp; Commercial</b>					
Rating Use Code					
Urban	B1	R -	15%	0.0143	Rebate applies for 2024/25 Financial year only - to be reviewed 2025/26
Rural	B2	R -	35%	0.0143	Rebate applies for 2024/25 Financial year only - to be reviewed 2025/26
Urban Tourism & Hospitality - Hotels, Lodges, Guest Houses, B & B's	B4	R -	25%	0.0143	Rebate applies for 2024/25 Financial year only - to be reviewed 2025/26
Rural Tourism & Hospitality - Hotels, Lodges, Guest Houses, B & B's	B5	R -	25%	0.0143	Rebate applies for 2024/25 Financial year only - to be reviewed 2025/26
<b>Category 3: Vacant Land</b>					
Rating Use Code					
Bulk Development Land - Urban	V01	R -	10%	0.0100	Rebate applies for 2024/25 Financial year only - to be reviewed 2025/26.
Bulk Development Land - Rural	V02	R -	15%	0.0100	
Vacant Land - Residential - Urban	V03	R -	0%	0.0100	
Vacant Land - Residential - Rural	V04	R -	10%	0.0100	
Vacant Land - Business	V05	R -	0%	0.0100	
Vacant land - Industrial	V06	R -	0%	0.0100	
<b>Category 4: Industrial</b>					
Rating Use Code					
Urban	C01	R -	5%	0.0143	Rebate applies for 2024/25 Financial year only - to be reviewed 2025/26.
Rural	C02	R -	12%	0.0143	
<b>Category 5: Mining</b>					
	M01	R -	5%	0.0143	Rebate applies for 2024/25 Financial year only - to be reviewed 2025/26.
<b>Category 6: Agriculture</b>					
	G01	R -	0%	0.0025	Rebate determined by prescribed ratio, pensioner discount applies on application
<b>Category 7: Public Benefit Organisations</b>					
	L01	R -	0%	0.0025	Rebate determined by prescribed ratio
<b>Category 8: Protected Areas</b>					
	H01	R -	100%	0.0025	All protected areas must be proclaimed & registered by the relevant approval authorities
<b>Category 9: Places of Worship</b>					
	F01	R -	100%	0.0025	places of worship are not rated
<b>Category 10: Public Infrastructure (PSI)</b>					
	I02 to I07	R -	0%	0.0025	are rated according to gazette
<b>Category 11: Public Service Purpose Properties</b>					
	E01	R -	0%	0.0025	are rated according to the gazette
<b>Category 12: Municipal Properties</b>					
	K01	R -	100%	0.0025	Municipal properties are not rated
<b>Category 13: Multi-Purpose - two or more land uses - refer categories</b>					
					Properties may be rated as per use code, and billed accordingly.

All categories of properties are using one randage however the municipality had rebate structure which details how each property will be rated. The Municipality has captured Property Rates by usage as per National Treasury's guide.

### Sale of Electricity and Impact of Tariff Increases

In terms of the Multi Year Price Determination (MYPD) for Eskom's tariffs approved by the National Energy Regulator of South Africa (Nersa) has not yet approved the Municipal tariff application, a tariff increases of 12,7 per cent has been applied as per the National Treasury's guide in the Circular 128.

Nersa has approved 13,68% tariffs for electricity, the Municipality is obliged to observe the 30 days appeals period from the affected public members. Nersa is currently awaiting the public input, which has a due date of the 24 June 2024.

Registered indigents will again be granted 200 kWh per 30-day period free of charge.

The following table shows the impact of the proposed increases in electricity tariffs on the electricity charges for domestic customers:

**Table 6 Comparison between current electricity charges and increases (Domestic)**

<b>Monthly Consumption kWh</b>	<b>Current Tariffs Payable</b>	<b>Proposed Tariffs Payable</b>	<b>Percentage Increase</b>
1-50 kWh	140c/kWh	158c/kWh	12,7%
51-350 kWh	180c/kWh	203c/kWh	12,7%
351-600 kWh	244c/kWh	275c/kWh	12,7%
601kWh and above	288c/kWh	325c/kWh	12,7%

It should further be noted that NERSA has advised that a stepped tariff structure needs to be implemented from 1 July 2024. The effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor). The Municipality has already implemented the stepped tariff structure from 1 July 2024 and will continue with this practice in 2024/2025.

Owing to the high increases in Eskom’s bulk tariffs, it is clearly not possible to fund these necessary upgrades through increases in the municipal electricity tariff – as the result tariff increases would be unaffordable for the consumers.

### 1.3.2 Waste Removal and Impact of Tariff Increases

A 4,9 per cent increase in the waste removal tariff is proposed from 1 July 2024. The Municipality is anticipating operating on a surplus on waste service charges. Any increase higher than 4,9 per cent would be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.

The following table compares current and proposed amounts payable from 1 July 2024:

**Table 7 Comparison between current waste removal fees and increases**

Type of Consumer	Description	Current Tariffs	Proposed Tariffs
		2023/2024	2024/2025
<b>Domestic Consumers</b>	Consumers /Ratepayers with total market value per property up to R130 000	Free	Free
<b>Commercial / Consumers</b>	One Collection per week per 120 litre bin	R 85.67 per month	R 115 per month
<b>Government</b>	One Collection per week per 120 litre bin	R 159.96 per month	R 217.63 per month
		R 142.20 per month	R 186.66 per month

### 1.3.3 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Note that in all instances the overall impact of the tariff increases on household’s bills has been kept between 4,9 – 12,7 percent. Electricity increases however impacts on the total household bill.

**Table 8 MBRR Table SA14 – Household bills**

KZN222 uMngeni - Supporting Table SA14 Household bills											
Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25 % incr.	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Rand/cent</b>											
<b>Monthly Account for Household - 'Middle Income Range'</b>	1										
<b>Rates and services charges:</b>											
Property rates		5,812.00	7,027.29	6,093.17	6,093.17	6,093.17	0.05	4.8%	6,336.90	6,590.37	6,853.99
Electricity: Basic levy		91.36	109.69	94.50	94.50	94.50	0.13	4.8%	98.28	102.21	106.30
Electricity: Consumption		986.37	1,184.17	901.62	901.62	901.62	0.13	4.8%	937.68	975.19	1,014.20
Water: Basic levy		-	-	-	-	-	-	-	-	-	-
Water: Consumption		-	-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-	-
Refuse removal		50.45	57.53	50.98	50.98	50.98	0.05	4.8%	53.02	55.14	57.35
Other		-	-	-	-	-	-	-	-	-	-
<b>sub-total</b>		<b>6,940.18</b>	<b>8,378.68</b>	<b>7,140.27</b>	<b>7,140.27</b>	<b>7,140.27</b>	<b>0.37</b>	<b>4.0%</b>	<b>7,425.88</b>	<b>7,722.92</b>	<b>8,031.83</b>
VAT on Services		-	-	-	-	-	-	-	-	-	-
<b>Total large household bill:</b>		<b>6,940.18</b>	<b>8,378.68</b>	<b>7,140.27</b>	<b>7,140.27</b>	<b>7,140.27</b>	<b>0.37</b>	<b>4.0%</b>	<b>7,425.88</b>	<b>7,722.92</b>	<b>8,031.83</b>
<b>% increase/-decrease</b>			<b>20.7%</b>	<b>(14.8%)</b>	-	-	<b>(100.0%)</b>		<b>2,032,160.8%</b>	<b>4.0%</b>	<b>4.0%</b>
<b>Monthly Account for Household - 'Affordable Range'</b>	2										
<b>Rates and services charges:</b>											
Property rates		3,900.65	3,586.80	3,802.01	3,802.01	3,802.01	0.05	4.8%	3,954.09	4,143.89	4,342.79
Electricity: Basic levy		84.27	90.23	94.50	94.50	94.50	0.13	4.8%	98.28	103.00	107.94
Electricity: Consumption		379.00	397.95	436.01	436.01	436.01	0.13	4.8%	453.45	475.22	498.03
Water: Basic levy		-	-	-	-	-	-	-	-	-	-
Water: Consumption		-	-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-	-
Refuse removal		45.40	47.67	52.55	52.55	52.55	0.05	4.8%	54.65	56.84	59.57
Other		-	-	-	-	-	-	-	-	-	-
<b>sub-total</b>		<b>4,409.32</b>	<b>4,122.65</b>	<b>4,385.07</b>	<b>4,385.07</b>	<b>4,385.07</b>	<b>0.37</b>	<b>4.0%</b>	<b>4,560.47</b>	<b>4,778.94</b>	<b>5,008.33</b>
VAT on Services		-	-	-	-	-	-	-	-	-	-
<b>Total small household bill:</b>		<b>4,409.32</b>	<b>4,122.65</b>	<b>4,385.07</b>	<b>4,385.07</b>	<b>4,385.07</b>	<b>0.37</b>	<b>4.0%</b>	<b>4,560.47</b>	<b>4,778.94</b>	<b>5,008.33</b>
<b>% increase/-decrease</b>			<b>(6.5%)</b>	<b>6.4%</b>	-	-	<b>(100.0%)</b>		<b>1,247,976.8%</b>	<b>4.8%</b>	<b>4.8%</b>
<b>Monthly Account for Household - 'Indigent Household receiving free basic services'</b>	3										
<b>Rates and services charges:</b>											
Property rates		3,900.65	3,586.80	3,802.01	3,802.01	3,802.01	0.05	4.8%	3,954.09	4,143.89	4,342.79
Electricity: Basic levy		84.27	90.23	94.50	94.50	94.50	0.13	4.8%	98.28	103.00	107.94
Electricity: Consumption		379.00	397.95	436.01	436.01	436.01	0.13	4.8%	453.45	475.22	498.03
Water: Basic levy		-	-	-	-	-	-	-	-	-	-
Water: Consumption		-	-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-	-
Refuse removal		45.40	47.67	52.55	52.55	52.55	0.05	4.8%	54.65	57.28	60.02
Other		-	-	-	-	-	-	-	-	-	-
<b>sub-total</b>		<b>4,409.32</b>	<b>4,122.65</b>	<b>4,385.07</b>	<b>4,385.07</b>	<b>4,385.07</b>	<b>0.37</b>	<b>4.0%</b>	<b>4,560.47</b>	<b>4,779.38</b>	<b>5,008.79</b>
VAT on Services		-	-	-	-	-	-	-	-	-	-
<b>Total small household bill:</b>		<b>4,409.32</b>	<b>4,122.65</b>	<b>4,385.07</b>	<b>4,385.07</b>	<b>4,385.07</b>	<b>0.37</b>	<b>4.0%</b>	<b>4,560.47</b>	<b>4,779.38</b>	<b>5,008.79</b>
<b>% increase/-decrease</b>			<b>(6.5%)</b>	<b>6.4%</b>	-	-	<b>(100.0%)</b>		<b>1,247,976.8%</b>	<b>4.8%</b>	<b>4.8%</b>

## Operating Expenditure Framework

The Municipality's expenditure framework for the 2024/2025 budget and MTREF 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 budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation can be made.

Less :Expenditure By Type						
Employee related costs	149,479,678.00	162,029,250.00	26%	169,064,354.00	26%	176,649,577.00
Remuneration of councillors	11,728,644.00	12,303,348.00	2%	12,869,305.00	2%	13,461,289.00
Debt impairment	10,242,707.00	10,744,599.00	2%	11,238,851.00	2%	11,744,598.00
Depreciation & asset impairment	62,467,954.00	57,004,511.00	9%	52,160,938.00	8%	52,921,082.00
Finance charges	477,392.00	63,471.00	0%	66,390.00	0%	69,445.00
Bulk purchases	191,398,440.00	215,706,042.00	35%	241,751,890.00	37%	271,498,677.00
Contracted services	82,072,922.00	77,415,731.00	13%	86,427,317.00	13%	90,538,147.00
Transfers and grants	1,029,751.00	1,752,000.00	0%	1,129,898.00	0%	1,181,874.00
Other expenditure	78,158,124.00	77,161,424.00	13%	79,223,390.00	12%	82,890,919.00
<b>Total Expenditure</b>	<b>587,055,612.00</b>	<b>614,180,376.00</b>	<b>100%</b>	<b>653,932,333.00</b>	<b>100%</b>	<b>700,955,608.00</b>

The budgeted allocation for employee related costs for the 2024/2025 financial year totals R162,0m, which equals 26 per cent of the total operating expenditure. Salary increases have been factored into this budget at a percentage increase of 4,9per cent for the 2024/2025 financial year. An annual increase of 4.6 and 4.6 per cent has been included in the two outer years of the MTREF.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been considered in compiling the Municipality's budget.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered as a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R 57,0m for the 2024/2025 financial and equates to 9 per cent of the total operating expenditure.

Finance charges consist primarily of the payment of interest on, finance charges make up R 63k of operating expenditure.

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions.

Contracted services have been identified as a cost saving area for the Municipality. As part of the compilation of the 2024/2025 MTREF this group of expenditure was critically evaluated, and operational efficiencies were enforced. In the 2024/2025 financial year, this group of expenditure totals R 77,4 million. For the two outer years growth has been limited to R 86,4 and increases to R 90,5m respectively. As part of the process of identifying further cost efficiencies, a business process reengineering project will commence in the 2024/2025 financial year to identify alternative practices and procedures, including building in-house capacity for certain activities that are currently being contracted out. Included in the Contracted Services are items like Security Costs, Repairs and Maintenance, Consulting and Professional Fees these are all grouped under Contracted services as per Mscoa Regulations, which states that all items that the Municipality hires an external service should be grouped under Contracted Services.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure comprises of all operational cost (telephones, electricity, printing, advertising, etc.), operating lease (photocopiers) and external audit fees, see table 52 SA1 on page 83 these costs are also grouped in accordance to Mscoa regulations.

#### **Table 9 Operational repairs and maintenance**

During the compilation of the 2024/2025 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality's infrastructure and historic deferred maintenance. The total allocation for Repairs and Maintenance for 2024/2025 equates to R30,5m.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:



KZN22 uMngeni - Table A9 Asset Management

R thousand	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						
	<b>CAPITAL EXPENDITURE</b>																
	<b>Total New Assets</b>	1	(10,025)	(13,568)	41,716	64,118	67,330	67,330	62,327	69,943	60,447						
	Roads Infrastructure		5,653	-	-	25,050	23,098	23,098	20,929	30,430	25,372						
	Storm water Infrastructure		339	10,542	13,043	22,486	23,407	23,407	16,120	16,569	16,640						
	Electrical Infrastructure		-	-	-	-	-	-	-	-	-						
	Water Supply Infrastructure		-	-	-	-	-	-	-	-	-						
	Sewerage Infrastructure		-	-	-	-	-	-	-	-	-						
	Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-						
	Rail Infrastructure		-	-	-	-	-	-	-	-	-						
	Coastal Infrastructure		-	-	-	-	-	-	-	-	-						
	Information and Communication Infrastructure		-	-	-	-	-	-	2,047	12,500	12,500						
	Infrastructure		5,992	10,542	13,043	47,536	46,505	46,505	39,925	59,499	54,971						
	Community Facilities		(19,884)	(26,906)	(4,742)	2,300	4,201	4,201	4,740	2,760	-						
	Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-						
	Community Assets		(19,884)	(26,906)	(4,742)	2,300	4,201	4,201	4,740	2,760	-						
	Heritage Assets		-	-	-	-	-	-	-	-	-						
	Revenue Generating		152	-	-	-	-	-	-	-	-						
	Non-revenue Generating		-	-	-	-	-	-	-	-	-						
	Investment properties		152	-	-	-	-	-	-	-	-						
	Operational Buildings		-	-	-	1,900	2,100	2,100	3,900	2,197	2,295						
	Housing		-	-	-	-	-	-	-	-	-						
	Other Assets		-	-	-	1,900	2,100	2,100	3,900	2,197	2,295						
	Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-						
	Services		-	-	-	-	-	-	-	-	-						
	Licences and Rights		-	-	-	-	-	-	-	-	-						
	Intangible Assets		-	-	-	-	-	-	-	-	-						
	Computer Equipment		-	-	-	-	-	-	-	-	-						
	Furniture and Office Equipment		-	-	-	-	-	-	-	-	-						
	Machinery and Equipment		3,716	2,856	27,429	2,400	3,256	3,256	2,600	2,646	2,765						
	Transport Assets		-	-	-	1,941	1,294	1,294	3,340	2,641	874						
	Land		-	-	-	8,440	9,974	9,974	9,952	-	-						
	Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-						
	Mature		-	-	-	-	-	-	-	-	-						
	Immature		-	-	-	-	-	-	-	-	-						
	Living Resources		-	-	-	-	-	-	-	-	-						
	<b>Total Removal of Existing Assets</b>	2	37,144	2,323	-	1,200	200	200	9,307	9,307	-						
	Roads Infrastructure		-	-	-	-	-	-	-	-	-						
	Storm water Infrastructure		-	-	-	-	-	-	-	-	-						
	Electrical Infrastructure		-	-	-	-	-	-	-	-	-						
	Water Supply Infrastructure		-	-	-	-	-	-	-	-	-						
	Sewerage Infrastructure		-	-	-	-	-	-	-	-	-						
	Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-						
	Rail Infrastructure		-	-	-	-	-	-	-	-	-						
	Coastal Infrastructure		-	-	-	-	-	-	-	-	-						
	Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-						
	Infrastructure		-	-	-	-	-	-	-	-	-						
	Community Facilities		500	-	-	700	200	200	9,307	500	-						
	Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-						
	Community Assets		37,144	2,323	-	700	200	200	9,307	500	-						
	Heritage Assets		-	-	-	-	-	-	-	-	-						
	Revenue Generating		-	-	-	-	-	-	-	-	-						
	Non-revenue Generating		-	-	-	-	-	-	-	-	-						
	Investment properties		-	-	-	-	-	-	-	-	-						
	Operational Buildings		-	-	-	-	-	-	-	-	-						
	Housing		-	-	-	-	-	-	-	-	-						
	Other Assets		-	-	-	-	-	-	-	-	-						
	Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-						
	Services		-	-	-	-	-	-	-	-	-						
	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		-	-	-	-	-	-	-	-	-						
	<b>Total Upgrading of Existing Assets</b>	6	(12,288)	(7,353)	1,564	18,500	26,098	26,098	8,176	262	13,065						
	Roads Infrastructure		-	-	-	-	-	-	-	-	-						
	Storm water Infrastructure		-	-	-	-	-	-	-	-	-						
	Electrical Infrastructure		-	-	-	-	-	-	-	-	-						
	Water Supply Infrastructure		-	-	-	-	-	-	-	-	-						
	Sewerage Infrastructure		-	-	-	-	-	-	-	-	-						
	Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-						
	Rail Infrastructure		-	-	-	-	-	-	-	-	-						
	Coastal Infrastructure		-	-	-	-	-	-	-	-	-						
	Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-						
	Infrastructure		-	-	-	-	-	-	-	-	-						
	Community Facilities		500	-	-	700	200	200	9,307	500	-						
	Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-						
	Community Assets		1,794	-	-	-	-	-	-	-	-						
	Heritage Assets		-	-	-	-	-	-	-	-	-						
	Revenue Generating		-	-	-	-	-	-	-	-	-						
	Non-revenue Generating		-	-	-	-	-	-	-	-	-						
	Investment properties		-	-	-	-	-	-	-	-	-						
	Operational Buildings		-	-	-	-	-	-	-	-	-						
	Housing		-	-	-	-	-	-	-	-	-						
	Other Assets		-	-	-	-	-	-	-	-	-						
	Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-						
	Services		-	-	-	-	-	-	-	-	-						
	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		-	-	-	-	-	-	-	-	-						
	<b>Total Capital Expenditure - Asset class</b>	4	14,831	(18,098)	43,280	83,818	93,627	93									

For the 2024/2025 financial year R 30,4m of the budget has been set aside for repairs and maintenance, will be spent on infrastructure assets.

#### **1.3.4 Free Basic Services: Basic Social Services Package**

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. There is currently plus / minus 1677 debtors registered as indigent and the target is to register 5000 or more indigent households during the 2024/2025 financial year, a process reviewed every six months.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

### **1.4 Capital expenditure**

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

**Table 10 2024/25 Medium-term capital budget per vote**

KZN222 uMngeni - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding											
Vote Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	2										
Vote 1 - EXECUTIVE AND COUNCIL		-	-	11	1,100	824	824	20	350	366	383
Vote 2 - BUDGET AND TREASURY		9,288	8,257	40,893	200	700	700	41,643	700	732	765
Vote 3 - CORPORATE SERVICES		-	-	85	450	402	402	-	850	366	383
Vote 4 - Planning Services		-	-	-	300	300	300	-	2,030	659	689
Vote 5 - Community Services		14,091	-	149	780	780	780	90	650	680	711
Vote 6 - Technical Services		1,148	111	898	43,786	51,953	51,953	612	32,358	34,130	44,336
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>		<b>24,527</b>	<b>8,368</b>	<b>42,036</b>	<b>46,616</b>	<b>54,958</b>	<b>54,958</b>	<b>42,364</b>	<b>36,938</b>	<b>36,933</b>	<b>47,266</b>
<b>Single-year expenditure to be appropriated</b>	2										
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	646	646	-	-	-	-
Vote 2 - BUDGET AND TREASURY		(32,572)	(26,966)	(4,742)	-	500	500	-	-	-	-
Vote 3 - CORPORATE SERVICES		12,839	-	-	631	-	-	-	-	-	-
Vote 4 - Planning Services		-	-	-	3,550	3,176	3,176	54	1,740	-	-
Vote 5 - Community Services		7,082	-	-	900	900	900	31	1,990	837	874
Vote 6 - Technical Services		2,955	-	5,986	32,120	33,447	33,447	(524)	39,143	32,435	25,372
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		<b>(9,696)</b>	<b>(26,966)</b>	<b>1,244</b>	<b>37,202</b>	<b>38,669</b>	<b>38,669</b>	<b>(439)</b>	<b>42,873</b>	<b>33,271</b>	<b>26,246</b>
<b>Total Capital Expenditure - Vote</b>	3,7	<b>14,831</b>	<b>(18,598)</b>	<b>43,280</b>	<b>83,818</b>	<b>93,627</b>	<b>93,627</b>	<b>41,925</b>	<b>79,811</b>	<b>70,205</b>	<b>73,512</b>

For 2024/2025 an amount of R 79,1m has been budgeted for total capital budget. In the outer years this amount totals R 70,2m, and R73,5m respectively for each of the financial years.

Further detail relating to asset classes and proposed capital expenditure is contained in Table 20 MBRR A9 (Asset Management) on page 26.

## 1.5 Annual Budget Tables - Parent Municipality

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2024/2025 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

**Table 11 MBRR Table A1 - Budget Summary**

KZN222 uMngeni - Table A1 Budget Summary										
Description	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	219,869	231,694	238,062	253,564	255,064	255,064	217,736	271,175	283,649	296,697
Service charges	91,305	102,909	106,251	166,917	172,410	172,410	102,093	189,593	212,177	239,129
Investment revenue	1,715	2,533	3,520	3,030	3,030	3,030	3,073	3,178	3,324	3,474
Transfer and subsidies - Operational	99,957	106,605	101,039	114,187	114,022	114,022	106,176	115,580	118,696	123,977
Other own revenue	26,689	32,406	26,157	34,199	33,448	33,448	25,312	35,087	36,583	38,249
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>439,536</b>	<b>476,146</b>	<b>475,028</b>	<b>571,897</b>	<b>577,974</b>	<b>577,974</b>	<b>454,389</b>	<b>614,613</b>	<b>654,429</b>	<b>701,526</b>
Employee costs	125,190	123,938	137,502	155,966	149,480	149,480	120,894	162,029	169,064	176,650
Remuneration of councillors	9,330	10,093	10,397	11,327	11,729	11,729	9,913	12,303	12,869	13,461
Depreciation and amortisation	59,363	70,238	119,468	51,439	62,468	62,468	49,959	57,005	59,634	67,370
Interest	7,261	6,555	7,380	47	61	61	30	63	66	69
Inventory consumed and bulk purchases	129,445	158,896	151,987	194,921	197,691	197,691	139,687	223,957	247,149	270,020
Transfers and subsidies	573	654	1,407	1,520	1,945	1,945	1,545	1,752	1,833	1,917
Other expenditure	189,931	151,939	179,919	156,370	163,683	163,683	89,662	157,071	163,316	171,469
<b>Total Expenditure</b>	<b>521,092</b>	<b>522,313</b>	<b>608,060</b>	<b>571,590</b>	<b>587,056</b>	<b>587,056</b>	<b>411,690</b>	<b>614,180</b>	<b>653,932</b>	<b>700,956</b>
<b>Surplus/(Deficit)</b>	<b>(81,555)</b>	<b>(46,167)</b>	<b>(133,031)</b>	<b>307</b>	<b>(9,081)</b>	<b>(9,081)</b>	<b>42,699</b>	<b>433</b>	<b>497</b>	<b>570</b>
Transfers and subsidies - capital (monetary allocations)	31,183	21,644	49,703	48,108	54,392	54,392	36,231	48,641	41,869	43,901
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(50,372)</b>	<b>(24,524)</b>	<b>(83,328)</b>	<b>48,415</b>	<b>45,311</b>	<b>45,311</b>	<b>78,930</b>	<b>49,074</b>	<b>42,366</b>	<b>44,471</b>
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>(50,372)</b>	<b>(24,524)</b>	<b>(83,328)</b>	<b>48,415</b>	<b>45,311</b>	<b>45,311</b>	<b>78,930</b>	<b>49,074</b>	<b>42,366</b>	<b>44,471</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>40,883</b>	<b>33,893</b>	<b>59,380</b>	<b>83,818</b>	<b>93,627</b>	<b>93,627</b>	<b>52,534</b>	<b>79,811</b>	<b>70,205</b>	<b>73,512</b>
Transfers recognised - capital	29,130	21,644	49,703	48,108	54,392	54,392	32,344	48,641	41,869	43,901
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	11,753	12,249	9,677	35,710	39,235	39,235	20,179	31,170	28,336	29,611
<b>Total sources of capital funds</b>	<b>40,883</b>	<b>33,893</b>	<b>59,380</b>	<b>83,818</b>	<b>93,627</b>	<b>93,627</b>	<b>52,524</b>	<b>79,811</b>	<b>70,205</b>	<b>73,512</b>
<b>Financial position</b>										
Total current assets	78,201	95,214	74,556	162,751	108,831	108,831	147,882	144,174	179,625	213,048
Total non current assets	1,108,373	1,075,772	1,012,265	1,142,810	1,042,362	1,042,362	1,016,658	1,064,054	1,070,166	1,081,543
Total current liabilities	105,590	92,537	80,442	109,218	100,514	100,514	79,918	109,120	115,745	117,062
Total non current liabilities	80,398	105,564	114,192	82,711	113,276	113,276	113,276	113,276	113,276	113,276
Community wealth/Equity	1,000,586	975,515	892,186	1,113,632	937,403	937,403	868,523	985,831	1,020,770	1,064,253
<b>Cash flows</b>										
Net cash from (used) operating	39,011	28,883	69,308	95,076	113,647	113,647	122,550	95,899	92,771	93,993
Net cash from (used) investing	(40,883)	(33,893)	(60,700)	(96,074)	(107,356)	(107,356)	(58,678)	(91,451)	(80,389)	(84,176)
Net cash from (used) financing	(7,743)	(3,852)	(9,980)	(189)	(189)	(189)	(560)	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>22,484</b>	<b>13,622</b>	<b>12,250</b>	<b>40,982</b>	<b>18,352</b>	<b>18,352</b>	<b>75,562</b>	<b>22,801</b>	<b>35,183</b>	<b>45,000</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	22,484	13,622	12,250	40,982	18,352	18,352	75,122	22,801	29,934	26,755
Application of cash and investments	23,108	58,235	38,490	2,069	69,052	69,052	(16,662)	25,689	(7,344)	(50,698)
<b>Balance - surplus (shortfall)</b>	<b>(624)</b>	<b>(44,612)</b>	<b>(26,240)</b>	<b>38,914</b>	<b>(50,700)</b>	<b>(50,700)</b>	<b>91,784</b>	<b>(2,888)</b>	<b>37,278</b>	<b>77,453</b>
<b>Asset management</b>										
Asset register summary (WDV)	1,099,727	1,069,185	1,005,381	1,137,092	1,035,478	1,035,478		1,057,170	1,063,282	1,074,659
Depreciation	59,363	70,238	119,468	51,439	62,468	62,468		57,005	59,634	67,370
Renewal and Upgrading of Existing Assets	24,855	(5,030)	1,564	19,700	26,298	26,298		17,483	262	13,065
Repairs and Maintenance	17,417	29,730	28,710	27,577	31,427	31,427		30,485	31,887	33,354
<b>Free services</b>										
Cost of Free Basic Services provided	232	251	260	260	260	263		276	288	301
Revenue cost of free services provided	(2,114)	(3,012)	114,315	75,975	73,357	73,357		26,083	27,283	28,535
<b>Households below minimum service level</b>										
Water:	-	-	-	-	-	-		-	-	-
Sanitation/sewerage:	-	-	-	-	-	-		-	-	-
Energy:	-	-	-	-	-	-		-	-	-
Refuse:	45	45	-	45	45	45		45	45	45

## Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).

2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasise the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
  - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
  - b. Capital expenditure is balanced by capital funding sources, of which
    - i. Transfers recognised is reflected on the Financial Performance Budget;
    - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
    - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

**Table 12 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**

KZN222 uMngeni - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)										
Functional Classification Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand										
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		302,581	319,799	329,255	357,070	357,736	357,736	379,029	395,258	413,313
Executive and council		55,900	58,183	66,327	74,474	74,608	74,608	79,390	83,217	86,811
Finance and administration		246,681	261,616	262,928	282,596	283,128	283,128	299,638	312,041	326,501
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		9,887	7,189	6,954	8,087	8,456	8,456	9,103	9,287	9,705
Community and social services		7,571	4,848	5,486	5,134	5,087	5,087	5,833	5,866	6,130
Sport and recreation		0	1	3	3	11	11	-	-	-
Public safety		2,315	1,389	1,466	2,950	3,118	3,118	3,271	3,421	3,575
Housing		-	952	-	-	240	240	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		41,431	30,022	37,255	37,653	42,349	42,349	43,418	35,723	38,179
Planning and development		2,447	2,203	3,230	6,471	6,205	6,205	5,632	4,061	4,243
Road transport		38,984	27,819	34,025	31,182	36,144	36,144	37,786	31,662	33,935
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		116,816	140,772	151,243	217,168	223,796	223,796	231,673	255,998	284,197
Energy sources		100,873	122,876	129,635	195,483	198,052	198,052	202,901	225,859	252,724
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	40	56	56	56	59	62	65
Waste management		15,943	17,896	21,568	21,629	25,687	25,687	28,713	30,077	31,408
<i>Other</i>	4	4	7	24	27	30	30	31	33	34
<b>Total Revenue - Functional</b>	2	<b>470,719</b>	<b>497,790</b>	<b>524,732</b>	<b>620,005</b>	<b>632,366</b>	<b>632,366</b>	<b>663,254</b>	<b>696,298</b>	<b>745,427</b>
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		261,586	230,464	317,423	214,671	227,876	227,876	228,629	237,762	253,705
Executive and council		44,334	45,452	70,589	42,844	46,556	46,556	47,954	50,159	52,451
Finance and administration		215,222	182,796	244,518	167,733	177,562	177,562	176,171	183,206	196,658
Internal audit		2,030	2,216	2,316	4,094	3,758	3,758	4,503	4,397	4,595
<i>Community and public safety</i>		33,668	35,995	39,457	65,779	61,939	61,939	64,788	67,534	70,601
Community and social services		12,433	12,037	10,863	13,710	13,027	13,027	14,098	14,511	15,167
Sport and recreation		9,114	8,588	11,208	16,270	12,531	12,531	13,922	14,562	15,223
Public safety		10,886	13,240	15,927	34,055	34,448	34,448	34,404	35,986	37,625
Housing		1,234	2,130	1,458	1,744	1,932	1,932	2,365	2,474	2,586
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		26,662	35,910	34,806	35,432	40,881	40,881	46,812	47,989	50,197
Planning and development		11,341	11,923	15,515	19,689	21,852	21,852	25,002	25,107	26,243
Road transport		15,321	23,987	19,291	15,743	19,029	19,029	21,809	22,883	23,954
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		198,817	219,493	215,560	254,239	255,237	255,237	272,860	299,505	324,761
Energy sources		164,949	189,360	183,161	223,744	227,442	227,442	244,052	269,372	293,262
Water management		-	-	-	-	-	-	-	-	-
Waste water management		3,306	2,907	3,091	3,420	3,438	3,438	3,606	3,772	3,942
Waste management		30,562	27,226	29,308	27,075	24,357	24,357	25,202	26,361	27,558
<i>Other</i>	4	360	452	814	1,469	1,123	1,123	1,092	1,142	1,691
<b>Total Expenditure - Functional</b>	3	<b>521,092</b>	<b>522,313</b>	<b>608,060</b>	<b>571,590</b>	<b>587,056</b>	<b>587,056</b>	<b>614,180</b>	<b>653,932</b>	<b>700,956</b>
<b>Surplus/(Deficit) for the year</b>		<b>(50,373)</b>	<b>(24,524)</b>	<b>(83,328)</b>	<b>48,415</b>	<b>45,311</b>	<b>45,311</b>	<b>49,074</b>	<b>42,366</b>	<b>44,471</b>

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

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 4 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does balance to the operating revenue shown on Table A4.

- Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is not the case for both the Electricity function and the Waste management function.
- Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under Executive & Council.

**Table 13 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**

KZN222 uMngeni - 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
<b>Revenue by Vote</b>										
Vote 1 - EXECUTIVE AND COUNCIL	1	290,148	309,258	318,614	346,024	347,759	347,759	369,538	386,711	404,266
Vote 2 - BUDGET AND TREASURY		5,854	7,522	6,990	7,261	6,309	6,309	6,614	6,936	7,362
Vote 3 - CORPORATE SERVICES		5,407	1,856	2,439	1,670	1,687	1,687	1,770	1,851	1,934
Vote 4 - Planning Services		2,701	3,501	3,254	6,498	6,474	6,474	5,663	4,093	4,277
Vote 5 - Community Services		29,254	27,651	31,169	33,931	36,439	36,439	40,488	42,159	44,034
Vote 6 - Technical Services		137,356	148,002	162,266	224,622	233,697	233,697	239,181	254,548	283,553
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>470,719</b>	<b>497,790</b>	<b>524,732</b>	<b>620,005</b>	<b>632,366</b>	<b>632,366</b>	<b>663,254</b>	<b>696,298</b>	<b>745,427</b>
<b>Expenditure by Vote to be appropriated</b>										
Vote 1 - EXECUTIVE AND COUNCIL	1	106,233	58,912	78,148	51,616	54,993	54,993	57,365	59,690	62,411
Vote 2 - BUDGET AND TREASURY		89,814	105,657	159,671	90,400	103,572	103,572	100,735	105,696	115,634
Vote 3 - CORPORATE SERVICES		49,536	49,301	59,685	47,556	43,656	43,656	44,544	46,593	48,713
Vote 4 - Planning Services		12,910	14,504	17,786	22,902	24,907	24,907	28,460	28,723	30,520
Vote 5 - Community Services		69,209	66,595	73,111	88,149	81,210	81,210	83,784	87,403	91,367
Vote 6 - Technical Services		193,390	227,344	219,658	270,966	278,718	278,718	299,293	325,827	352,311
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>521,092</b>	<b>522,313</b>	<b>608,060</b>	<b>571,590</b>	<b>587,056</b>	<b>587,056</b>	<b>614,180</b>	<b>653,932</b>	<b>700,956</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>(50,373)</b>	<b>(24,524)</b>	<b>(83,328)</b>	<b>48,415</b>	<b>45,311</b>	<b>45,311</b>	<b>49,074</b>	<b>42,366</b>	<b>44,471</b>

**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 of the Municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the electricity trading service.

**Table 14 Surplus/(Deficit) calculations for the trading services**

Description	2018/19	2019/2020	2020/2021	Current Year 2021/22			2021/22 Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year 2023/24	Budget Year 2024/25
Operating Revenue	85 797	90 627	100 873	149 623	150 170	150 170	168 184	178 135	188 706
Operating Expenditure	126 965	140 006	166 311	184 957	188 098	188 098	208 474	221 484	234 368
Surplus for the year	(41 168)	(49 380)	(65 438)	(35 335)	(37 928)	(37 928)	(40 290)	(43 350)	(45 662)
Percentage Surplus	-64%	-67%	-65%	-24%	-25%	-25%	-24%	-24%	-24%

2. The electricity trading deficit is a major concern over the 2024/25 MTREF averaging -24 percent over the MTREF. This is primarily as a result of the high increases in Eskom bulk purchases, distribution losses through tampering, theft, illegal connections and the tariff setting policy of the municipality to buffer the impact of these increases on individual consumers.
3. Note that the deficit on the electricity account is *cross-subsidise by rates and other municipal services*.



**Table 15 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)**

KZN222 uMngeni - 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
<b>R thousand</b>	1										
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	83,433	93,539	94,406	156,164	158,599	158,599	92,152	173,524	195,368	221,565
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	7,872	9,370	11,845	10,752	13,811	13,811	9,903	16,069	16,808	17,565
Sale of Goods and Rendering of Services		-	3,530	4,251	5,609	6,039	6,039	3,817	6,335	6,626	6,925
Agency services		1,278	-	-	-	-	-	-	-	-	-
Interest		2,896	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		14,378	3,429	3,990	4,308	4,409	4,409	3,053	4,625	4,837	5,060
Interest earned from Current and Non Current Assets		-	2,533	3,520	3,030	3,030	3,030	3,073	3,178	3,324	3,474
Dividends		2,317	-	-	-	-	-	-	-	-	-
Rent on Land		3,515	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		-	1,671	2,152	1,370	1,375	1,375	1,257	1,442	1,508	1,576
Licence and permits		99,957	1,812	1,841	2,445	2,566	2,566	2,369	3,922	4,102	4,287
Operational Revenue		4,022	2,667	651	1,563	789	789	1,929	828	747	781
<b>Non-Exchange Revenue</b>											
Property rates	2	219,869	231,694	238,062	253,564	255,064	255,064	217,736	271,175	283,649	296,697
Surcharges and Taxes		-	75	0	-	-	-	-	-	-	-
Fines, penalties and forfeits		(125,190)	1,402	1,493	2,957	3,105	3,105	1,791	3,257	3,407	3,560
Licences or permits		(9,330)	1,879	978	1,954	1,173	1,173	761	-	-	-
Transfer and subsidies - Operational		(71,189)	106,605	101,039	114,187	114,022	114,022	106,176	115,580	118,696	123,977
Interest		(59,363)	15,940	10,214	13,677	13,677	13,677	10,304	14,348	15,008	15,698
Fuel Levy		(7,261)	-	-	-	-	-	-	-	-	-
Operational Revenue		(127,757)	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		(1,688)	-	585	316	316	316	-	331	347	362
Other Gains		(72,047)	-	-	-	-	-	-	-	-	-
Discontinued Operations		(573)	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>(34,861)</b>	<b>476,146</b>	<b>475,028</b>	<b>571,897</b>	<b>577,974</b>	<b>577,974</b>	<b>454,321</b>	<b>614,613</b>	<b>654,429</b>	<b>701,526</b>
<b>Expenditure</b>											
Employee related costs	2	120,558	123,938	137,502	155,966	149,480	149,480	120,894	162,029	169,064	176,650
Remuneration of councillors		-	10,093	10,397	11,327	11,729	11,729	9,913	12,303	12,869	13,461
Bulk purchases - electricity	2	127,757	157,239	149,835	190,198	191,398	191,398	138,352	215,706	239,722	262,251
Inventory consumed	8	-	1,657	2,152	4,722	6,292	6,292	1,335	8,251	7,427	7,769
Debt impairment	3	-	18,886	3,024	10,243	10,243	10,243	-	10,745	11,239	11,745
Depreciation and amortisation		59,363	70,238	119,468	51,439	62,468	62,468	49,959	57,005	59,634	67,370
Interest		-	6,555	7,380	47	61	61	30	63	66	69
Contracted services		72,047	88,363	83,323	80,964	82,073	82,073	48,766	77,416	81,017	85,375
Transfers and subsidies		573	654	1,407	1,520	1,945	1,945	1,545	1,752	1,833	1,917
Irrecoverable debts written off		-	-	41,419	-	1,030	1,030	-	1,080	1,130	1,182
Operational costs		46,699	43,735	49,910	65,163	69,275	69,275	40,130	66,716	68,764	71,949
Losses on disposal of Assets		-	955	2,243	-	1,062	1,062	766	1,114	1,166	1,218
Other Losses		-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>426,995</b>	<b>522,313</b>	<b>608,060</b>	<b>571,590</b>	<b>587,056</b>	<b>587,056</b>	<b>411,690</b>	<b>614,180</b>	<b>653,932</b>	<b>700,956</b>
<b>Surplus/(Deficit)</b>		<b>(461,856)</b>	<b>(46,167)</b>	<b>(133,031)</b>	<b>307</b>	<b>(9,081)</b>	<b>(9,081)</b>	<b>42,631</b>	<b>433</b>	<b>497</b>	<b>570</b>
Transfers and subsidies - capital (monetary allocations)	6	-	21,644	49,703	48,108	54,392	54,392	36,231	48,641	41,869	43,901
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(461,856)</b>	<b>(24,524)</b>	<b>(83,328)</b>	<b>48,415</b>	<b>45,311</b>	<b>45,311</b>	<b>78,862</b>	<b>49,074</b>	<b>42,366</b>	<b>44,471</b>
Income Tax		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>(461,856)</b>	<b>(24,524)</b>	<b>(83,328)</b>	<b>48,415</b>	<b>45,311</b>	<b>45,311</b>	<b>78,862</b>	<b>49,074</b>	<b>42,366</b>	<b>44,471</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(461,856)</b>	<b>(24,524)</b>	<b>(83,328)</b>	<b>48,415</b>	<b>45,311</b>	<b>45,311</b>	<b>78,862</b>	<b>49,074</b>	<b>42,366</b>	<b>44,471</b>
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	1	<b>(461,856)</b>	<b>(24,524)</b>	<b>(83,328)</b>	<b>48,415</b>	<b>45,311</b>	<b>45,311</b>	<b>78,862</b>	<b>49,074</b>	<b>42,366</b>	<b>44,471</b>

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

1. Total revenue is R614,6m in 2024/2025 and escalates to R654,4million by 2025/2026. This represents a year-on-year increase of 6per cent for the 2024/2025 financial year and remains at 7 per cent for the 2025/2026 financial year.
2. Revenue to be generated from property rates is R271,1m in the 2024/2025 financial year and increases to R283,6 million by 2025/2026 which represents 44 per cent of the operating

revenue base of the Municipality and therefore remains a significant funding source for the municipality. It remains relatively constant over the medium-term and tariff increases have been factored in at 5,5 per cent for each of the respective financial years of the MTREF.

3. Services charges relating to electricity and refuse removal contributes to the revenue basket of the Municipality totalling R189,5 million for the 2024/2025 financial year and increasing to R 212,1million by 2025/2026.
4. For the 2024/2025 financial year services charges amount to 31 per cent of the total revenue base and remains to 33 per cent per annum over the medium-term. This growth can mainly be attributed to the increase in the bulk prices of electricity.
5. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government.
6. Bulk purchases have significantly increased over the 2023/2024 to 2024/2025 period escalating from R191,3m to R215,7m. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom.
7. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

**Table 16 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		2,207	2,745	27,230	2,381	3,072	3,072	7,417	1,900	1,464	1,530
Executive and council		-	-	11	1,100	1,220	1,220	20	250	262	273
Finance and administration		2,207	2,745	27,219	1,281	1,602	1,602	7,398	1,550	1,098	1,148
Internal audit		-	-	-	-	250	250	-	100	105	109
<b>Community and public safety</b>		20,714	(24,643)	(4,594)	1,580	1,580	1,580	2,022	2,390	1,255	1,312
Community and social services		6,707	(24,643)	(4,594)	-	680	680	1,991	400	418	437
Sport and recreation		13,856	-	-	900	900	900	31	800	837	874
Public safety		-	-	-	680	-	-	-	1,190	-	-
Housing		152	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		(8,430)	(7,242)	7,600	55,770	61,468	61,468	17,179	57,051	48,458	51,461
Planning and development		-	-	-	3,850	3,476	3,476	54	3,770	659	689
Road transport		(8,430)	(7,242)	7,600	51,920	57,991	57,991	17,125	53,281	47,799	50,773
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		339	10,542	13,043	24,086	27,508	27,508	15,308	18,470	19,027	19,209
Energy sources		339	10,542	13,043	22,486	23,407	23,407	15,308	16,120	16,569	16,640
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	1,600	4,101	4,101	-	2,350	2,458	2,569
<b>Other</b>		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	3,7	14,831	(16,598)	43,280	83,818	93,627	93,627	41,925	79,811	70,205	73,512
<b>Funded by:</b>											
National Government		29,130	-	5,986	46,708	52,992	52,992	612	47,891	41,869	43,901
Provincial Government		-	-	-	1,400	1,400	1,400	-	750	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	29,130	-	5,986	48,108	54,392	54,392	612	48,641	41,869	43,901
<b>Public contributions &amp; donations</b>	5	-	-	-	-	-	-	-	-	-	-
<b>Borrowing</b>	6	-	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		9,136	111	1,163	35,710	39,235	39,235	(330)	31,170	28,336	29,611
<b>Total Capital Funding</b>	7	38,266	111	7,150	83,818	93,627	93,627	282	79,811	70,205	73,512

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

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.
3. Single-year capital expenditure has been appropriated at R 79,8m for the 2024/2025 financial year and decreases over the MTREF at levels of R70,2m and R73,5m respectively for the two outer years.
4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to

the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.

- The capital programme is funded from capital grants and contributions from the capital replacement reserve. For 2024/2025 capital transfers totals R48,6m and is increased to R41,8 million by 2025/2026. Internally generated funding totaling R 31,1m in 2024/2025, included in the R31,1m is R20m for roads rehabilitation, R1,4m for Purchase of the Property and R1,5m for electricity and the remainder is for procurement of office equipment and computers.

**Table 17 MBRR Table A6 - Budgeted Financial Position**

KZN222 uMngeni - 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
<b>R thousand</b>											
<b>ASSETS</b>											
<b>Current assets</b>											
Cash and cash equivalents		22,484	13,622	12,250	40,982	18,352	18,352	75,122	22,801	37,555	58,036
Trade and other receivables from exchange transactions	1	13,585	21,069	18,480	24,686	26,151	26,151	24,988	26,385	26,808	27,463
Receivables from non-exchange transactions	1	37,008	46,075	32,885	85,471	60,851	60,851	50,778	91,518	117,853	145,406
Current portion of non-current receivables		-	-	-	-	-	-	-	-	-	-
Inventory	2	-	-	-	-	-	-	-	-	-	-
VAT		5,124	14,448	10,941	11,612	3,477	3,477	(3,006)	3,477	3,477	3,477
Other current assets		-	-	-	-	-	-	-	-	-	-
<b>Total current assets</b>		<b>78,201</b>	<b>95,214</b>	<b>74,556</b>	<b>162,751</b>	<b>108,831</b>	<b>108,831</b>	<b>147,882</b>	<b>144,180</b>	<b>185,693</b>	<b>234,382</b>
<b>Non current assets</b>											
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		57,654	19,590	19,314	56,087	18,960	18,960	19,084	18,589	18,201	17,795
Property, plant and equipment	3	1,039,602	1,046,215	982,687	1,075,606	1,014,200	1,014,200	987,310	1,033,877	1,044,836	1,051,384
Biological assets		-	-	-	-	-	-	-	-	-	-
Living and non-living resources		-	-	-	-	-	-	-	-	-	-
Heritage assets		5,398	3,381	3,381	5,398	3,381	3,381	3,381	3,381	3,381	3,381
Intangible assets		-	-	-	-	(1,062)	(1,062)	-	1,323	157	(1,061)
Trade and other receivables from exchange transactions		5,718	6,587	6,884	5,718	6,884	6,884	6,884	6,884	6,884	6,884
Non-current receivables from non-exchange transactions		-	-	-	-	-	-	-	-	-	-
Other non-current assets		-	-	-	-	-	-	-	-	-	-
<b>Total non current assets</b>		<b>1,108,373</b>	<b>1,075,772</b>	<b>1,012,265</b>	<b>1,142,810</b>	<b>1,042,362</b>	<b>1,042,362</b>	<b>1,016,658</b>	<b>1,064,054</b>	<b>1,073,458</b>	<b>1,078,382</b>
<b>TOTAL ASSETS</b>		<b>1,186,574</b>	<b>1,170,987</b>	<b>1,086,821</b>	<b>1,305,561</b>	<b>1,151,193</b>	<b>1,151,193</b>	<b>1,164,540</b>	<b>1,208,233</b>	<b>1,259,152</b>	<b>1,312,764</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft		-	-	-	-	-	-	-	-	-	-
Financial liabilities		4,181	3,467	478	2,275	478	478	0	478	478	478
Consumer deposits		4,763	4,762	4,750	4,390	4,561	4,561	4,558	4,561	4,561	4,561
Trade and other payables from exchange transactions	4	67,096	66,850	71,494	52,366	70,828	70,828	32,330	70,828	70,828	70,828
Trade and other payables from non-exchange transactions	5	2,016	1,060	624	880	(646)	(646)	24,007	-	7	14
Provision		27,534	16,399	3,097	41,840	23,995	23,995	18,105	30,173	36,635	43,393
VAT		-	-	-	7,466	1,298	1,298	919	3,103	5,170	7,539
Other current liabilities		-	-	-	-	-	-	-	-	-	-
<b>Total current liabilities</b>		<b>105,590</b>	<b>92,537</b>	<b>80,442</b>	<b>109,218</b>	<b>100,514</b>	<b>100,514</b>	<b>79,918</b>	<b>109,143</b>	<b>117,679</b>	<b>126,813</b>
<b>Non current liabilities</b>											
Financial liabilities	6	9,662	7,836	-	-	-	-	(0)	-	-	-
Provision	7	70,737	97,727	114,192	62,711	86,315	86,315	86,315	86,315	86,315	86,315
Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-
Other non-current liabilities		-	-	-	20,000	26,961	26,961	26,961	26,961	26,961	26,961
<b>Total non current liabilities</b>		<b>80,398</b>	<b>105,564</b>	<b>114,192</b>	<b>82,711</b>	<b>113,276</b>	<b>113,276</b>	<b>113,276</b>	<b>113,276</b>	<b>113,276</b>	<b>113,276</b>
<b>TOTAL LIABILITIES</b>		<b>185,988</b>	<b>198,100</b>	<b>194,635</b>	<b>191,929</b>	<b>213,790</b>	<b>213,790</b>	<b>193,195</b>	<b>222,419</b>	<b>230,955</b>	<b>240,089</b>
<b>NET ASSETS</b>		<b>1,000,586</b>	<b>972,886</b>	<b>892,186</b>	<b>1,113,632</b>	<b>937,403</b>	<b>937,403</b>	<b>971,345</b>	<b>985,814</b>	<b>1,028,197</b>	<b>1,072,675</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated surplus/(deficit)	8	1,000,586	972,886	892,186	1,113,632	937,403	937,403	868,523	985,814	1,028,197	1,072,675
Reserves and funds	9	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	10	<b>1,000,586</b>	<b>972,886</b>	<b>892,186</b>	<b>1,113,632</b>	<b>937,403</b>	<b>937,403</b>	<b>868,523</b>	<b>985,814</b>	<b>1,028,197</b>	<b>1,072,675</b>

## **Explanatory notes to Table A6 - Budgeted Financial Position**

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table 54 is supported by an extensive table of notes (SA3 which can be found on page 87) providing a detailed analysis of the major components of a number of items, including:
  - Consumer debtors;
  - Property, plant and equipment;
  - Trade and other payables;
  - Provisions non-current;
  - Changes in net assets; and
  - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition, the funding compliance assessment is informed directly by forecasting the statement of financial position.

**Table 18 MBRR Table A7 - Budgeted Cash Flow Statement**

KZN222 uMngeni - Table A7 Budgeted Cash Flows											
Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		198,465	209,464	259,757	240,886	237,210	237,210	225,871	249,481	266,630	278,895
Service charges		101,633	103,706	106,251	190,150	187,661	187,661	81,696	216,242	241,952	272,646
Other revenue		7,868	11,874	9,153	77,829	86,613	86,613	31,483	81,353	84,825	90,545
Transfers and Subsidies - Operational	1	98,641	103,661	101,039	114,187	113,398	113,398	113,398	115,580	118,696	123,977
Transfers and Subsidies - Capital	1	22,628	24,146	49,703	48,108	54,392	54,392	52,392	48,641	41,869	43,901
Interest		1,715	2,533	3,520	3,030	3,030	3,030	1,373	3,178	3,324	3,474
Dividends		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Suppliers and employees		(389,657)	(425,293)	(458,470)	(577,540)	(566,920)	(566,920)	(382,552)	(617,267)	(663,160)	(718,016)
Interest		(2,282)	(1,208)	(239)	(47)	(61)	(61)	(30)	(66)	(66)	(69)
Transfers and Subsidies	1	-	-	(1,407)	(1,528)	(1,676)	(1,676)	(1,081)	(1,242)	(1,299)	(1,359)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>39,011</b>	<b>28,883</b>	<b>69,308</b>	<b>95,076</b>	<b>113,647</b>	<b>113,647</b>	<b>122,550</b>	<b>95,899</b>	<b>92,771</b>	<b>93,993</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		-	-	585	316	316	316	-	331	347	362
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Capital assets		(40,883)	(33,893)	(61,285)	(96,390)	(107,672)	(107,672)	(58,678)	(91,782)	(80,735)	(84,539)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(40,883)</b>	<b>(33,893)</b>	<b>(60,700)</b>	<b>(96,074)</b>	<b>(107,356)</b>	<b>(107,356)</b>	<b>(58,678)</b>	<b>(91,451)</b>	<b>(80,389)</b>	<b>(84,176)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		(1,804)	(1,394)	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		129	(1)	12	(189)	(189)	(189)	(560)	-	-	-
<b>Payments</b>											
Repayment of borrowing		(6,067)	(2,457)	(9,992)	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(7,743)</b>	<b>(3,852)</b>	<b>(9,980)</b>	<b>(189)</b>	<b>(189)</b>	<b>(189)</b>	<b>(560)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(9,615)</b>	<b>(8,862)</b>	<b>(1,372)</b>	<b>(1,188)</b>	<b>6,102</b>	<b>6,102</b>	<b>63,312</b>	<b>4,449</b>	<b>12,383</b>	<b>9,817</b>
Cash/cash equivalents at the year begin:	2	32,099	22,484	13,622	42,170	12,250	12,250	12,250	18,352	22,801	35,183
Cash/cash equivalents at the year end:	2	22,484	13,622	12,250	40,982	18,352	18,352	75,562	22,801	35,183	45,000

**Explanatory notes to Table A7 - Budgeted Cash Flow Statement**

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. The 2024/2025 MTREF provides a increase in cash of R 4,4m from the 2023/2024 financial year resulting in an overall projected positive cash position of R 22,8m at year end.
4. The 2024/2025 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term. The collection rate is 92% for all other revenue items.
5. Cash and cash equivalents totals R 22,8m positive as at the end of the 2024/2025 financial year and increases to R35,1m by 2025/2026.

**Table 19 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

KZN222 uMngeni - 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
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	28,923	15,016	12,226	40,982	18,352	18,352	75,562	22,817	37,555	58,036
Other current investments > 90 days		(6,438)	(1,394)	24	-	-	-	(440)	(17)	-	-
Non current investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>22,484</b>	<b>13,622</b>	<b>12,250</b>	<b>40,982</b>	<b>18,352</b>	<b>18,352</b>	<b>75,122</b>	<b>22,801</b>	<b>37,555</b>	<b>58,036</b>
<b>Application of cash and investments</b>											
Trade payables from Non-exchange transactions: Unspent co		2,016	1,060	624	1,819	0	0	24,007	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	5,124	14,448	10,941	4,146	2,179	2,179	(3,925)	374	(1,693)	(4,062)
Other working capital requirements	3	(3,425)	(22,697)	(1,982)	(84,122)	(38,674)	(38,674)	(63,374)	(72,882)	(109,424)	(160,743)
Other provisions		27,534	16,399	3,097	41,840	23,995	23,995	18,105	30,173	36,635	43,393
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>31,248</b>	<b>9,209</b>	<b>12,679</b>	<b>(36,317)</b>	<b>(12,500)</b>	<b>(12,500)</b>	<b>(25,187)</b>	<b>(42,336)</b>	<b>(74,481)</b>	<b>(121,412)</b>
<b>Surplus(shortfall)</b>		<b>(8,764)</b>	<b>4,413</b>	<b>(429)</b>	<b>77,299</b>	<b>30,852</b>	<b>30,852</b>	<b>100,309</b>	<b>65,136</b>	<b>112,037</b>	<b>179,448</b>

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

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality’s budget must be “funded”.
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2023/2024 MTREF was funded owing to the significant surplus.
6. As part of the budgeting and planning guidelines that informed the compilation of the 2023/2024 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

**Table 20 MBRR Table A9 - Asset Management**





<b>ASSET REGISTER SUMMARY - PPE (MDV)</b>	5	1,099,727	1,069,185	1,005,381	1,137,092	1,035,478	1,035,478	1,057,170	1,063,282	1,074,659
<i>Roads Infrastructure</i>		504,510	482,303	397,439	442,953	401,819	401,819	401,033	391,507	388,158
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		79,070	76,383	76,558	110,986	96,008	96,008	107,979	119,707	131,283
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		30,776	34,101	33,086	49,571	33,086	33,086	33,086	33,086	33,086
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>614,356</b>	<b>592,786</b>	<b>507,083</b>	<b>603,510</b>	<b>530,913</b>	<b>530,913</b>	<b>542,098</b>	<b>544,301</b>	<b>552,528</b>
<b>Community Assets</b>		182,296	195,809	186,156	157,536	176,800	176,800	172,031	184,397	185,898
<b>Heritage Assets</b>		3,381	3,381	3,381	5,398	3,381	3,381	3,381	3,381	3,381
<b>Investment properties</b>		20,792	19,590	19,314	56,087	18,960	18,960	18,589	18,201	17,795
<b>Other Assets</b>		65,164	43,710	53,574	75,935	57,576	57,576	61,576	61,772	63,963
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	(1,062)	(1,062)	1,323	157	(1,061)
<b>Computer Equipment</b>		2,154	2,353	2,965	(380)	2,034	2,034	1,058	37	(1,032)
<b>Furniture and Office Equipment</b>		1,217	1,003	1,262	6,780	3,990	3,990	6,037	7,476	8,977
<b>Machinery and Equipment</b>		2,217	2,153	5,471	4,095	6,003	6,003	8,544	8,510	7,301
<b>Transport Assets</b>		4,932	4,613	23,277	41,468	33,984	33,984	43,134	35,652	37,510
<b>Land</b>		203,219	203,788	202,899	186,662	202,899	202,899	199,399	199,399	199,399
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		-	-	-	-	-	-	-	-	-
<b>TOTAL ASSET REGISTER SUMMARY - PPE (MDV)</b>	5	<b>1,099,727</b>	<b>1,069,185</b>	<b>1,005,381</b>	<b>1,137,092</b>	<b>1,035,478</b>	<b>1,035,478</b>	<b>1,057,170</b>	<b>1,063,282</b>	<b>1,074,659</b>
<b>EXPENDITURE OTHER ITEMS</b>										
<b>Depreciation</b>	7	59,363	70,238	119,468	51,439	62,468	62,468	57,005	59,634	67,370
<b>Repairs and Maintenance by Asset Class</b>	3	<b>17,417</b>	<b>29,730</b>	<b>28,710</b>	<b>27,577</b>	<b>31,427</b>	<b>31,427</b>	<b>30,485</b>	<b>31,887</b>	<b>33,354</b>
<i>Roads Infrastructure</i>		6,848	16,415	11,683	8,988	11,779	11,779	14,700	15,376	16,084
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		6,284	7,872	9,938	10,800	12,668	12,668	8,519	8,911	9,321
<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>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>13,132</b>	<b>24,287</b>	<b>21,622</b>	<b>19,788</b>	<b>24,446</b>	<b>24,446</b>	<b>23,219</b>	<b>24,287</b>	<b>25,404</b>
Community Facilities		245	599	873	1,661	1,081	1,081	500	523	547
Sport and Recreation Facilities		100	286	-	-	-	-	-	-	-
<b>Community Assets</b>		<b>345</b>	<b>884</b>	<b>873</b>	<b>1,661</b>	<b>1,081</b>	<b>1,081</b>	<b>500</b>	<b>523</b>	<b>547</b>
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		2,573	2,777	3,177	3,784	2,856	2,856	3,028	3,167	3,313
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		<b>2,573</b>	<b>2,777</b>	<b>3,177</b>	<b>3,784</b>	<b>2,856</b>	<b>2,856</b>	<b>3,028</b>	<b>3,167</b>	<b>3,313</b>
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>		-	-	-	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>		-	-	-	-	-	-	-	-	-
<b>Machinery and Equipment</b>		21	19	20	132	132	132	683	715	747
<b>Transport Assets</b>		1,346	1,762	3,017	2,212	2,912	2,912	3,055	3,195	3,342
Libraries		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		<b>76,780</b>	<b>99,968</b>	<b>148,178</b>	<b>79,016</b>	<b>93,895</b>	<b>93,895</b>	<b>87,489</b>	<b>91,521</b>	<b>100,724</b>

## Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and

maintenance should be 8 per cent of PPE, however uMngeni is unable to comply with the above due to cash constraints.

3. The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF. It highlights the Municipality's strategy to address the maintenance backlog.

**Table 21 MBRR Table A10 - Basic Service Delivery Measurement**

KZN222 uMngeni - 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
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		2,852	2,852	2,852	2,852	2,852	2,852	2,852	2,852	2,852
Piped water inside yard (but not in dwelling)	2	26,767	26,767	26,767	26,767	26,767	26,767	26,767	26,767	26,767
Using public tap (at least min.service level)	4	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		29,619	29,619	29,619	29,619	29,619	29,619	29,619	29,619	29,619
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>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	29,619	29,619	29,619	29,619	29,619	29,619	29,619	29,619	29,619
<b>Sanitation/sewerage:</b>										
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>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Energy:</b>										
Electricity (at least min.service level)		98,658	98,658	98,658	98,658	98,658	98,658	98,658	98,658	98,658
Electricity - prepaid (min.service level)		98,658	98,658	98,658	98,658	98,658	98,658	98,658	98,658	98,658
<i>Minimum Service Level and Above sub-total</i>		98,658	98,658	98,658	98,658	98,658	98,658	98,658	98,658	98,658
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	98,658	98,658	98,658	98,658	98,658	98,658	98,658	98,658	98,658
<b>Refuse:</b>										
Removed at least once a week		28,951	28,951	-	2,365	2,365	2,365	2,365	2,483	2,607
<i>Minimum Service Level and Above sub-total</i>		28,951	28,951	-	2,365	2,365	2,365	2,365	2,483	2,607
Removed less frequently than once a week		40,297	40,297	-	40,297	40,297	40,297	40,297	40,297	40,297
Using communal refuse dump		2,393	2,393	-	2,393	2,393	2,393	2,393	2,393	2,393
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		2,417	2,417	-	2,417	2,417	2,417	2,417	2,417	2,417
<i>Below Minimum Service Level sub-total</i>		45,107	45,107	-	45,107	45,107	45,107	45,107	45,107	45,107
<b>Total number of households</b>	5	74,058	74,058	-	47,472	47,472	47,472	47,472	47,590	47,714
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		158,722	176,327	176,327	176,327	176,327	176,327	184,790	192,921	201,603
Refuse (removed at least once a week)		73,000	75,000	83,333	83,333	83,333	86,853	91,022	95,027	99,303
Informal Settlements		-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>	8									
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		159	176	176	176	176	176	185	193	202
Refuse (removed once a week for indigent households)		73	75	83	83	83	87	91	95	99
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>		-	-	-	-	-	-	-	-	-
<b>Total cost of FBS provided</b>		232	251	260	260	260	263	276	288	301
<b>Highest level of free service provided per household</b>										
Property rates (R value threshold)		295,000	295,000	295,000	295,000	295,000	295,000	295,000	295,000	295,000
Water (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		-	-	-	-	-	-	-	-	-
Electricity (kwh per household per month)		50	50	50	150	150	150	150	150	150
Refuse (average litres per week)		20	20	20	20	20	20	20	20	20
<b>Revenue cost of subsidised services provided (R'000)</b>	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		-	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		(8,967)	(8,123)	110,792	67,507	67,507	67,507	23,204	24,271	25,388
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)		535	4	491	737	1,178	1,178	1,236	1,292	1,351
Refuse (in excess of one removal a week for indigent households)		6,318	5,107	3,033	7,731	4,672	4,672	1,643	1,719	1,796
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Total revenue cost of subsidised services provided</b>	6	(2,114)	(3,012)	114,315	75,975	73,357	73,357	26,083	27,283	28,535

## Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The Municipality continues to make good progress with the eradication of backlogs:

- a. Electricity services – backlog has been reduced. All queries related to electricity are attended immediately i.e our service provider is aware that queries must be attended to in a day to avoid customers fiddling with the meters.
  - b. Refuse services – The Municipality collects the refuse removal every day.
3. The budget provides for 1677 households to be registered as indigent in 2024/25, and therefore entitled to receiving Free Basic Services.
4. It is anticipated that these Free Basic Services will cost the municipality R 1,2 thousand in 2024/2025. This is covered by the municipality's equitable share allocation from national government.
5. In addition to the Free Basic Services, the Municipality also 'gives' households R140,6million in free services in 2024/2025. This 'tax expenditure' needs to be seen within the context of the municipality's overall revenue management strategy – the more the municipality gives away, the less there is available to fund other services.

## **Part 2 – Supporting Documentation**

### **2.1 Overview of the annual budget process**

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

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

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

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the 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.

#### **2.1.1 Budget Process Overview**

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2022) a time schedule that sets out the process to revise the IDP and prepare the budget.

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

## IDP-BUDGET TIME SCHEDULE

Aligned process	Activities	Target dates	Responsibility	Outputs	Actual Date Activity took place
<b>QUARTER ONE</b>					
IDP-MTERF Budget	Prepare Draft IDP & Budget Process Plan 2023/2024	01 July 2023- 31 August 2023	Manager (IDP_PMS) Budget Manager	Draft Process Plan	Had the final draft on 29 August 2023
Integrated Development Plan	UMDM IDP Sub-cluster meeting via MS Teams	21 July 2023	Manager (IDP_PMS)	Process Plan Framework	21 July 20203
Performance Management System	Internal Audit reports on performance information must be submitted to Council and Performance Audit Committee.	Quarterly	Manager (IDP & PMS)	Quarterly performance reports	27 October 2023
	Signed S56 & S57 Managers Performance Agreements	31 July 2023	Municipal Manager	Signed Performance agreements	14 July 2023
IDP-MTERF Budget	Submit to COGTA Draft IDP & Budget Process Plan	31 July 2023	Manager (IDP_PMS) Budget Manager	Letter of acknowledgement	31 July 2023
	Public notice on the Draft IDP & Budget	3-14 August 2023	Manager (IDP_PMS)	Public notice on the Draft Process Plan	01 August 2023

	2022/2023 Process Plan				
Integrated Development Plan	Assess status of sector plans and policies	August-September 2023	Manager (IDP_PMS)	Updated table indicating status of reviewed sector plans and policies.	02 August 2023
Performance Management System	Draft 2023-2024 Annual Performance Report to internal auditor	05 August 2023	Municipal Manager PMS Manager	Draft 2023-2024 Annual Performance Report	04 August 2023
Integrated Development Plan	UMDM IDP Representative Forum	25 August 2023	Manager (IDP_PMS)		01 February 2024
IDP-MTERF Budget	Tabling and adoption of IDP & Budget Process Plan 2023/2024	30 August 2023	Honourable Mayor	Council Resolution	31 August 2023
MTERF BUDGET	Draft 2023-2024 AFS and letter of acknowledgement	31 August 2023	Chief Financial Officer	Draft 2023-2024 AFS to Auditor General	
Performance Management System	Draft 2023-2024 Annual Performance Report to Auditor General	31 August 2023	Municipal Manager PMS Manager	Draft 2023/2024 Annual Performance Report	
Integrated Development Plan	UMDM IDP Sub-cluster: Cross-border	14 September 2023	Manager (IDP_PMS)	Draft Status Quo Report and Data alignment	

	IDP Status Quo	30 September 2023	Manager (IDP_PMS)	Status Quo Report	28 September 2023
<b>QUARTER TWO</b>					
Integrated Development Plan	Final Process Plans submitted to COGTA with council resolution	29 October 2023	Manager (IDP_PMS)	Letter of acknowledgement	01 September 2023
Performance Management System	Quarterly performance report submitted to Council.	Quarterly	Manager (IDP_PMS)	Quarterly performance report with Council resolution	
IDP-MTERF Budget	2023-2024 First Quarter Budget Review - Section 52(d)	31 October 2023	CFO Budget Manager	Budget review report	
Integrated Development Plan	IDP Alignment Session for uMgungundlovu District	5 November 2023	Manager (IDP_PMS)	Minutes	08 November 2023
	Strategic Planning Session	November 2023	EXCO and Senior Management	Strategic Planning Session Report	
	UMDM IDP Sub-cluster meeting	17 November 2023	Manager (IDP_PMS)	Alignment of strategy report	18 October 2023
	Develop the measurable objectives for the next five years and include the required budget for achieving those objectives.	20-30 November 2023	Councillors, Ward committees	Measurable objectives to be integrated into Draft IDP	



	IDP Izimbizo inclusive of SDF public participation process	26 November to December 2024	Honorable Mayor, Councillors, ward committees and municipal officials	IDP Izimbizo Report	
IDP-MTERF Budget	Internal departments budget inputs into multi-year budget	December 2023 to January 2024	Internal departments	Completed templates aligned to IDP format (mSCOA)	
Integrated Development Plan	uMngeni IDP Representative Forum	05 December 2023	Manager (IDP_PMS)	Inputs from sector departments	16 February 2024
	<b>QUARTER THREE</b>				
IDP- MTERF BUDGET -PMS	Midyear Budget review and performance assessment – S72 MFMA	25 January 2024	Chief Financial Officer	Budget review and midyear performance report	
Integrated Development Plan	Develop Ward Based Plans	30 January 2024	Manager (IDP_PMS)	Ward Based Plans developed for all wards	
IDP-MTERF Budget-PMS	2023/2024 Budget Performance Assessment –S52 MFMA	31 January 2024	Chief Financial Officer	Budget performance report	
Spatial Development Framework	Draft SDF Situational Analysis	February 2024	Director: Economic Development, Planning and Human Settlements	SDF Phase 1 Report	
Integrated Development Plan	IDP Khulumanathi Programme inclusive of SDF public participation process	February 2024	Honorable Mayor, Councillors, ward committees and municipal officials	Public Participation Report	

IDP-MTERF Budget	Bilateral engagements with Treasury on Mid-Year 2023/2024 Budget assessment	05 February 2024	Chief Financial Officer	Bilateral engagements with Treasury on Mid-Year 2023/2024 Budget assessment	
Integrated Development Plan	COGTA departmental sector alignment sessions	07 February 2024	Manager (IDP_PMS)	Department programmes report	
IDP-MTERF Budget	2023/2024 Budget Adjustment	28 February 2024	Chief Financial Officer	Adjustment Budget with Council Resolution	
IDP-MTERF Budget-PMS	Alignment of Draft 2023/2024 - 2027/2028 IDP and Multi-year Budget towards Draft SDBIP	15 March 2024	Internal departments Manager (IDP_PMS)	Draft 2023/2024-2027/2028 IDP Review, Multi-year Budget and SDBIP	
	Submit Draft SDBIP 2023/2024 to Treasury	30 March 2024	Manager (IDP_PMS)	Proof of submission	
Spatial Development Framework	Preparation of a SPLUMA compliant SDF - Tabling of Draft Spatial Development Framework to council committee	30 March 2024	Director: Economic Development, Planning and Human Settlements	Draft SDF with council resolution	
IDP-MTERF Budget-PMS	Tabling of Draft 2023/2024-2027/2028 IDP, Draft Multi-year Budget and Draft SDBIP to council	31 March 2024	Honourable Mayor Full Council	Draft 2023/2024-2027/2028 IDP, Draft Multi-year Budget and Draft SDBIP with council resolutions	

	Submission of Draft 2023/2024 IDP, Draft Multi-year Budget and Draft SDBIP to COGTA and Provincial Treasury	By 31 March 2024	Manager (IDP_PMS) Budget Manager	Letter of acknowledgement	
	Review Budget policies for 2024/2025 draft budget	31 March 2024	Chief Financial Officer	Budget policy review	
	Draft Bulk purchase tariffs approved as per Nersa guideline	31 March 2024	Chief Financial Officer	Bulk processes review report	
	<b>QUARTER FOUR</b>				
Performance Management System	Quarterly performance report submitted to Council.	Quarterly	Municipal Manager Manager (IDP_PMS)	Quarterly performance report with Council resolution	
IDP-MTERF Budget	Bilateral engagements with Treasury on Draft Budget 2023/2024 Assessment	April 2024	Chief Financial Officer Manager Budget	Assessment feedback report	
	Presentation of Draft 2023/2024 IDP inclusive of SDF, Draft Multi-year Budget to communities and stakeholders in all wards	April 2024	Honourable Mayor and all relevant internal departmental personnel	Register and minutes of public inputs	
	Public notice on tabled items including a schedule of public meetings.	01-22 April 2024	Manager (Communications and Research)	Public notice	

			Manager (IDP_PMS)		
Integrated Development Plan	UMDM IDP Sub-cluster meeting	03 April 2024	Manager (IDP_PMS)	Draft Izimbizo contents. Finalize allocated roles for alignment presentations.	
	Convening of decentralized IDP Assessment Forums	12 April 2024	Manager (IDP_PMS)	IDP assessment report	
	uMngeni IDP Representative Forum	24 April 2024	Manager (IDP_PMS)	Presentation of Draft IDP Review	
IDP-MTERF Budget	2022/2023 Budget Performance Assessment – S52 MFMA	30 April 2024	Chief Financial Officer	Budget performance report	
Performance Management System	Implementation, monitoring & evaluation process	30 April 2024	Director: Economic Development, Planning and Human Settlements	Implementation, monitoring & evaluation process incorporated into Final Draft SDF	
Spatial Development Framework	Implementation, monitoring & evaluation process	30 April 2024	Director: Economic Development, Planning and Human Settlements	Implementation, monitoring & evaluation process incorporated into Final Draft SDF	
IDP-MTERF Budget	2024/2025 Budget assessment feedback	08 May 2024	Chief Financial Officer	Budget assessment report	

Integrated Development Plan	IDP Assessment feedback Session by COGTA IDP Coordination Business Unit	09 May 2024	COGTA	Report of assessment feedback	
IDP-MTERF Budget	Tabling and adoption of Final 2023/2024 IDP and Multi-year Budget	31 May 2024	Honourable Mayor	Multi-year Budget with Council Resolution	
	Final Bulk purchase tariffs approved as per Nersa guideline.	31 May 2024	Chief Financial Officer	Bulk processes review report	
Spatial Development Framework	Approval of a SPLUMA compliant SDF - Tabling of Final Draft Spatial Development Framework to council committee	31 May 2024	Director: Economic Development, Planning and Human Settlements	Final SDF with council resolution	
integrated Development Plan	Public Notice on adopted IDP Review and Multi-year Budget.	03 June 2024	Manager (IDP_PMS) Budget Manager	Public Notice	
IDP-MTERF Budget	Submission of adopted 2023/2024 IDP and Multi-year Budget to relevant sector departments	10 June 2024	Manager (IDP_PMS) Budget Manager	Letter of acknowledgement	
	Public notice on final 2024/2025 IDP and Multi-year budget- S75 MFMA	10 June 2024	Manager (Communications and Research) Manager ICT	Public Notice	

IDP-MTERF Budget-PMS	Address AG comments on  the Annual Report of the previous financial year	By 29 May 2024	All departments	Response table	
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## 2.1.2 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2024/2025 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2024/2025 MTREF:

- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2023/2024 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 127 have been taken into consideration in the planning and prioritisation process.

## 2.2 Overview of alignment of annual budget with IDP

**Table 22 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue**

KZN222 uMngeni - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)												
R thousand		Ref	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	
Infrastructure Development and Managing waste and the environment	World class infrastructure investment		265,476	290,148	309,258	321,980	324,632	324,632	346,024	367,538	387,654	
Efficient and Effective customer centered financial management- finance	Building a responsive and transparent government		4,738	5,854	7,522	4,719	7,355	7,355	7,261	7,532	7,905	
Building Safer Communities- Community Services	Improved and equitable access to land		1,305	5,407	1,856	1,510	1,556	1,556	1,670	1,750	1,833	
Building a responsive and transparent government- Corporate services, Executive and Council	1. Innovative organisational systems 2. Efficient, effective customer centred revenue collection		140,493	142,225	125,480	192,847	199,884	199,884	224,622	243,805	264,101	
Creating Job and Growing the economy- LED	Creating jobs and growing the economy		27,524	32,513	30,912	50,841	44,548	44,548	35,037	33,803	40,033	
Allocations to other priorities		2										
<b>Total Revenue (excluding capital transfers and contributions)</b>		1	<b>439,536</b>	<b>476,146</b>	<b>475,028</b>	<b>571,897</b>	<b>577,974</b>	<b>577,974</b>	<b>614,613</b>	<b>654,429</b>	<b>701,526</b>	

**Table 23 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure**

KZN222 uMngeni - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)												
R thousand		Ref	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	
Infrastructure Development and Managing waste and the environment	World class infrastructure investment		174,641	198,817	219,493	240,745	220,866	220,866	260,623	283,632	314,415	
Efficient and Effective customer centered financial management- finance	Building a responsive and transparent government		84,006	89,814	105,657	86,485	88,374	88,374	90,893	95,354	99,806	
Building Safer Communities- Community Services	Improved and equitable access to land		69,169	60,330	71,949	92,046	81,417	81,417	105,090	112,662	118,318	
Building a responsive and transparent government- Corporate services, Executive and Council	1. Innovative organisational systems 2. Efficient, effective customer centred revenue collection		112,104	145,469	89,676	75,194	89,822	89,822	76,037	77,274	80,403	
Creating Job and Growing the economy- LED	Creating jobs and growing the economy		81,172	27,883	121,284	77,119	106,577	106,577	81,537	85,010	88,014	
Allocations to other priorities												
<b>Total Expenditure</b>			<b>1</b>	<b>521,092</b>	<b>522,313</b>	<b>608,060</b>	<b>571,590</b>	<b>587,056</b>	<b>587,056</b>	<b>614,180</b>	<b>653,932</b>	<b>700,956</b>

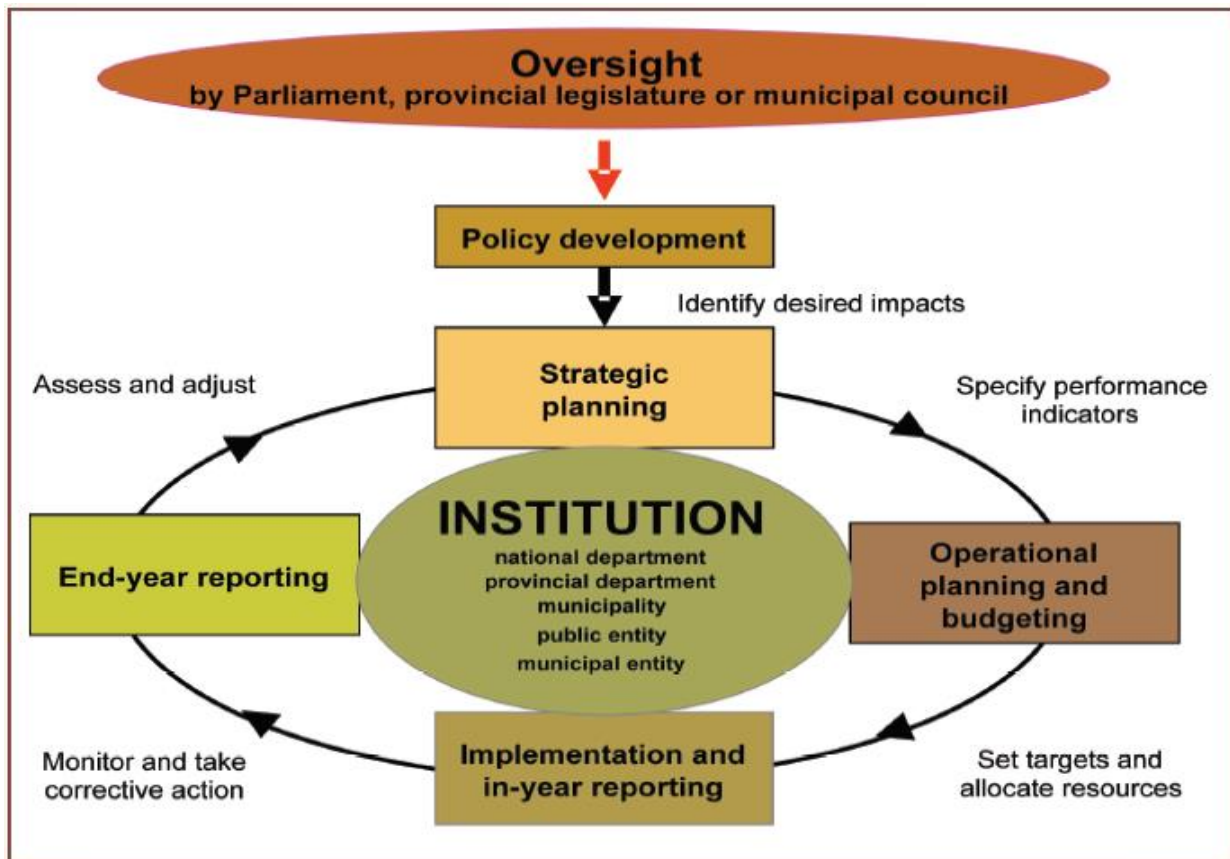
**Table 24 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure**

KZN222 uMngeni - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)												
R thousand		Ref	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	
Creating Job and Growing the economy- LED	Creating jobs and growing the economy		1,791	339	10,542	5,488	22,442	22,442	52,163	17,303	20,080	
Building Safer Communities- Community Services	Improved and equitable access to land		11,095	2,207	2,745	1,111	3,421	3,421	18,311	1,281	1,632	
Infrastructure Development and Managing waste and the environment	World class infrastructure investment		16,248	20,714	24,643	2,939	1,239	1,239	149	1,580	713	
Efficient and Effective customer centered financial management- finance	Building a responsive and transparent government		31	2,203	14,208	42,795	24,129	24,129	11	1,100	1,154	
Building a responsive and transparent government- Corporate services, Executive and Council	1. Innovative organisational systems 2. Efficient, effective customer centred revenue collection		11,717	8,430	7,242	31,485	42,396	42,396	9,177	48,941	49,932	
		F										
		G										
		H										
		I										
		J										
		K										
		L										
		M										
		N										
		O										
		P										
Allocations to other priorities			<b>3</b>									
<b>Total Capital Expenditure</b>			<b>1</b>	<b>40,883</b>	<b>33,893</b>	<b>59,380</b>	<b>83,818</b>	<b>93,627</b>	<b>93,627</b>	<b>79,811</b>	<b>70,205</b>	<b>73,512</b>

## 2.3 Measurable performance objectives and indicators

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

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



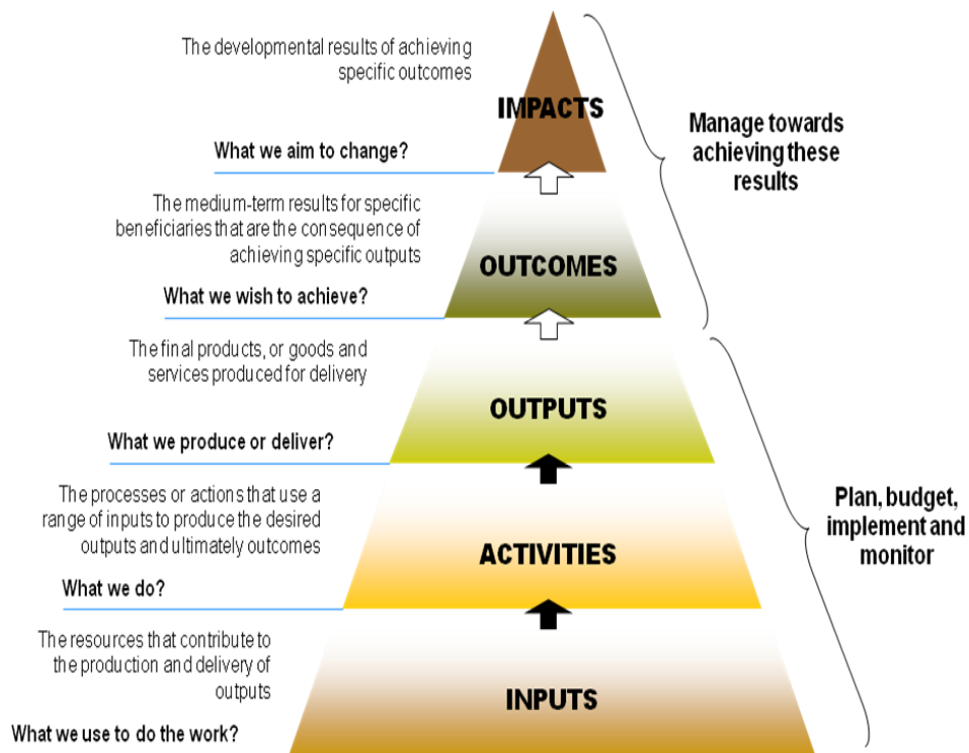
**Figure 1 Planning, budgeting and reporting cycle**

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



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

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



**Figure 2 Definition of performance information concepts**

**Table 25 MBRR Table SA8 - Performance indicators and benchmarks**

KZN222 uMngeni - Supporting Table SA8 Performance indicators and benchmarks											
Description of financial indicator	Basis of calculation	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
<b>Borrowing Management</b>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	12.6%	13.9%	21.3%	9.0%	10.6%	10.6%	11.7%	8.4%	8.0%	7.6%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	29.8%	29.7%	47.6%	16.2%	19.3%	19.3%	19.1%	14.9%	14.1%	13.1%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	-15.4%	-11.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Safety of Capital</b>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Liquidity</b>											
Current Ratio	Current assets/current liabilities	0.7	1.1	0.9	1.5	1.1	1.1	1.6	1.3	1.5	1.6
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.7	1.1	0.9	1.5	1.1	1.1	1.6	1.3	1.5	1.6
Liquidity Ratio	Monetary Assets/Current Liabilities	0.3	0.4	0.4	0.6	0.4	0.4	0.9	0.5	0.5	0.6
<b>Revenue Management</b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		316.1%	294.2%	331.2%	249.8%	238.1%	238.1%	287.6%	236.8%	227.9%	219.4%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	8.4%	9.7%	6.4%	14.9%	10.5%	10.5%	14.6%	13.7%	16.4%	18.8%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<b>Creditors Management</b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))										
Creditors to Cash and Investments		246.6%	490.7%	586.3%	127.8%	385.9%	385.9%	77.2%	403.6%	418.1%	521.0%
<b>Other Indicators</b>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Volume Losses (kW) non technical										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Volumes :System input	Bulk Purchase										
	Water treatment works										
Water Distribution Losses (2)	Natural sources										
	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	28.5%	26.0%	26.9%	27.3%	25.9%	25.9%	25.2%	25.8%	25.3%	24.6%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	30.6%	28.1%	29.0%	29.3%	27.9%	27.9%		27.9%	27.3%	26.6%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	4.0%	6.2%	5.6%	4.8%	5.5%	5.5%		5.8%	5.7%	5.5%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	29.7%	18.7%	24.0%	10.8%	12.6%	12.6%	10.4%	10.1%	9.8%	9.3%
<b>IDP regulation financial viability indicators</b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	44.0	18.1	89.9	105.1	105.1	105.1	65.6	102.5	106.3	116.0
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	38.5%	43.3%	22.6%	49.5%	34.1%	34.1%	65.6%	43.0%	49.1%	53.6%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.7	0.3	0.3	0.9	0.4	0.4	1.9	0.4	0.3	0.3

**2.3.1 Free Basic Services: basic social services package for indigent households**

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

For the 2024/2025 financial year 1677 registered indigents have been provided for in the budget. In terms of the Municipality's indigent policy registered households are entitled to 150 kwh of

electricity and free waste removal for all properties with a value of up to R130 000 as well as a discount on their property rates.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 21 MBRR A10 (Basic Service Delivery Measurement) on page 28.

## **2.4 Overview of budget related policies**

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

The following budget-related policies have been approved by Council or have been reviewed or amended and/or are currently being reviewed/amended in line with National Guidelines and other legislation.

2.4.1 Budget Policy

2.4.2 Supply Chain Management Policy

2.4.3. Rates Policy

2.4.4 Tariff Policy

2.4.5 Credit Control & Debt Collection Policy

2.4.6 Subsistence & Travel Policy

2.4.7 Leave Policy

2.4.8 Human Resources Training & Development Policy.

2.4.9 Virement Policy

2.4.10 Funding and Reserves Policy

2.4.11 Cash Management and Investment Policy

2.4.12 Overtime Policy

2.4.13 Organisational Performance Management Policy

2.4.14 Social Housing Policy

2.4.15 Asset Management Policy

2.4.16 Indigent Policy

The promulgation of the Municipal Budget and Reporting Regulations in Government Gazette No. 32141 dated 17 April 2009 is to secure sound and sustainable management of the budgeting and reporting practices of municipalities by establishing uniform norms and standards and other

requirement for insuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting processes of those institutions and other relevant matters as required by the MFMA.

These regulations are effective for all Municipalities from 1 July 2010 and the budget has been compiled accordingly to be in full compliance from 1 July 2010.

In terms of section 7 of these regulations the Municipal Manager must prepare, or take all reasonable steps to ensure the preparation of the budget-related policies of the municipality, or any amendments to such policies, in accordance with the legislation applicable to those policies for tabling in the municipal council by the applicable deadline specified by the mayor in terms of section 21(1)(b) of the Act.

#### **2.4.1 BUDGET POLICY**

The budget policy is there to assist Mayors, Councillors, Accounting Officers and Senior Managers in dealing with the changes brought about by the Municipal Finance Management Act No 56 of 2003. This policy provides a framework within which Senior Management can compile, control and review budgets of their respective departments to ensure effective financial management

#### **2.4.2 SUPPLY CHAIN MANAGEMENT POLICY**

Municipalities are required in terms of section 111 of the MFMA to have a supply chain management policy.

This policy is within the framework of the relevant legislation and regulations. The policy ascribes to the following principles:

- a. A procurement system which is fair, equitable, transparent, competitive and cost-effective in terms of section 217 of the Constitution of South Africa No. 108 of 1996
- b. As enshrined in Chapter 11 of the Municipal Finance Management Act and its regulations
- c. Best practices in supply chain management
- d. Uniformity in supply chain management systems between organs of state in all spheres
- e. Broad Based Black Economic Empowerment

#### **2.4.3 RATES POLICY**

Section 5(1) of the Municipal Property Rates Act, No. 6 of 2004 states that a municipal council must annually review, and if necessary, amend its rates policy. Any amendments must accompany the municipality's annual budget when it is tabled in the Council. The policy is designed to ensure equitable treatment by Council in the levying of rates on property owners, including owners under sectional title, as well as other persons who may become liable for the payment of rates.

#### **2.4.4 TARIFF POLICY**

The Municipal Systems Act, No 32 of 2000, requires a municipality to have a tariff determination policy. The challenge in setting tariffs lies in striking a balance between

maintaining financial sustainability of the relevant departments (and so the sustainability of service provision) and ensuring affordability of those services by consumers. The municipality's tariff policy provides a broad framework where the Council can determine fair, transparent and affordable service charges that also promote sustainability of service provision. The policy is based on principles that address the social, economic and financial imperatives that the process of tariff setting should take account of.

#### **2.4.5 CREDIT CONTROL & DEBT COLLECTION POLICY**

The municipality's credit control and debt collection policy provides the procedures and mechanisms for credit control and for the collection of debts. The primary objective of this policy is to ensure that all monies due and payable to the municipality in respect of rates, fees for services, surcharges on such fees, charges, tariffs, interest which has accrued on any amounts due and payable in respect of the foregoing and any collection charges are collected efficiently and promptly.

#### **2.4.6 SUBSISTANCE AND TRAVEL POLICY**

The purpose of this policy is to determine guidelines for Councillors and officials for the payment of travelling and subsistence allowances when performing official functions on behalf of the Municipality.

#### **2.4.7 LEAVE POLICY**

The leave policy for uMngeni Municipality was adopted by Council in January 2009 and the goal is to ensure that the services rendered by this municipality to the Community are efficient, effective and uninterrupted.

The objections are as follows:

- (i) Ensure continuity in operational requirements of the organisation while other employees are on leave.
- (ii) To develop a better understanding regarding leave policy and procedure.
- (iii) Ensure the development of clearly written administrative policy and procedure.
- (iv) To ensure proper and accurate record keeping.
- (v) To ensure that the private and confidential information is maintained.
- (vi) Ensure that leave policy respond effectively to crisis and emergency situations.

#### **2.4.8 HUMAN RESOURCE TRAINING AND DEVELOPMENT POLICY**

This policy deals with the process whereby people acquire the necessary knowledge and skills to perform delegated tasks. The objective is to ensure that the municipality is served by professional, competent, and productive employees who will have, through continuous improvement in skills and attitude facilitated by the Training Division, distinguish themselves of

being capable of delivering high quality services to all people in an endeavour to achieve the municipal strategic objectives.

#### **2.4.9 VIREMENT POLICY**

This policy's objective is to allow flexibility in the use of budgeted funds to enable management to act on occasions such as disasters, unforeseen expenditure or savings, etc. as they arise to accelerate service delivery in a financially responsible manner.

#### **2.4.10 FUNDING AND RESERVES POLICY**

The funding and reserves policy is aimed at ensuring that the municipality procures sufficient and cost effective funding in order to achieve its capital expenditure objectives in an optimum manner. The policy is adhered to in the procurement of funding for the municipality having due regard to the assets and liability maturity profile of the municipality.

#### **2.4.11 CASH MANAGEMENT AND INVESTMENT POLICY**

Section 13(2) of the MFMA requires that a municipality have a policy dealing with cash management and investment. The municipality's cash management and investment policy is developed within the framework of the MFMA.

#### **2.4.12 OVERTIME POLICY**

This policy is to ensure that a clear policy guideline is established for all employees of the municipality for working overtime and performing standby duties.

#### **2.4.13 ORGANISATIONAL PERFORMANCE MANAGEMENT POLICY**

The Performance Management System (PMS) is aimed at:

Providing Guidelines on the effective implementation and maintenance of a single and uniform performance management process within uMngeni Municipality;

Ensuring that every employee's output is optimized in terms of quality and quantity, thereby improving uMngeni Municipality's overall performance and service delivery;

Ensuring that individual employee performance is evaluated fairly and objectively;

Ensuring that categories of performance that exceed expectations are recognized, and;

Also ensuring that categories of performance that do not meet expectations are managed.

#### **2.4.14 SOCIAL HOUSING POLICY**

The objectives of this Social Housing Policy for uMngeni Municipality are as follows;

To address the housing backlog in the uMngeni municipal area

To ensure that housing beneficiaries are given a choice in respect of the housing types that will suite their lifestyles and requirements

To facilitate the development and rejuvenation of the town of Howick through social housing development

uMngeni Municipality also intends to facilitate the institution of a Social Housing Company that will be responsible for driving and championing social housing projects within the Municipal area through the social housing policy

This policy seeks to address the imbalances of the past which were a result of the promulgation of policies under the apartheid regime that granted specifically located land for racial segregation as such policies were also determining the urban landscape.

The acceptance of this policy by uMngeni Municipality's EXCO will enable the Municipality and other role-players in the social housing sector to work co-operatively towards improving and upgrading the municipal infrastructure in the identified restructuring zones so that new social housing projects have easy access to services as per Chapter 2, section 5 (iii) of the Social Housing Policy,2006.

To ensure access to funding for social housing development is not interrupted by a lack of policy framework within the municipal structure/municipality.

The policy is intended to create an enabling environment for the Municipality to enter into performance agreements with social housing institutions that will be responsible for the overall management of social housing stock within uMngeni Municipality

All the above policies are available at the Municipal Offices in Howick, Hilton, Mpophomeni and Howick West, all the libraries in Howick, Howick West, Hilton and Mpophomeni as well as on the municipality's website [www.umngeni.gov.za](http://www.umngeni.gov.za).

#### **2.4.15 ASSET MANAGEMENT POLICY**

The objectives of this policy are:

- To ensure the effectiveness and efficient control, utilisation, safeguarding and strategic property management of municipality's immovable property (property, plant and equipment).
- To ensure asset managers (property managers) are aware of their responsibilities with regards to property, plant and equipment.
- To set out standards of physical management, recording and internal controls to ensure property, plant and equipment are safeguarded against inappropriate loss or utilisation.
- To specify the process required before expenditure on property, plant equipment occurs.
- To emphasize a culture of transparency and accountability over assets.

- To ensure compliance with all legislative, policies, by laws and accounting prescriptions and requirements.

#### **2.4.16 Travel Allowance Policy**

- The objectives of the scheme are to provide for the following:  
Uniform guidelines, conditions and limitations in terms of which the scheme be run in order to restrict differences.
- To compensate employees in a fair and reasonable manner for the Utilization of private travel in the execution of official duties.

## **2.5 Overview of budget assumptions**

### **2.5.1 External factors**

The South African economy has averaged about 2.5 per cent growth a year since 2010. Against the background of the slowdown in the global economy.

A recovery of up to 2.5 per cent and 3.0 per cent growth in 2024 and 2027 is expected, but these are modest rates of expansion relative to the social and developmental challenges we face and the opportunities that our mineral wealth and human capabilities offer.

There was a welcome recovery in job creation during 2011, but unemployment has not yet returned to its 2008 peak and the unemployment rate remains high at 27 per cent.

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the Municipality's finances.

### **2.5.2 General inflation outlook and its impact on the municipal activities**

There are five key factors that have been taken into consideration in the compilation of the 2024/2025 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on Municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and water; and
- The increase in the cost of remuneration. Employee related costs comprise 26% per cent of total operating expenditure in the 2024/2025 MTREF and therefore this increase above inflation places a disproportionate upward pressure on the expenditure budget. The wage agreement SALGBC has been concluded with the municipal workers unions and must be noted.



### **2.5.3 Interest rates for borrowing and investment of funds.**

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The Municipality engages in several financing arrangements to minimise its interest rate costs and risk. However, for simplicity the 2024/2025 MTREF is based on the assumption that all borrowings are undertaken using fixed interest rates for amortisation-style loans requiring both regular principal and interest payments. As part of the compilation of the 2024/2025 MTREF the potential of smoothing out the debt profile over the long term will be investigated.

### **2.5.4 Collection rate for revenue services**

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

The rate of revenue collection is currently expressed as a percentage (95 per cent) of annual billings. Cash flow is assumed to be 95 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

### **2.5.5 Growth or decline in tax base of the municipality.**

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

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition, the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

### **2.5.6 Salary increases.**

The Salary and Wage Collective agreement will be coming to an end in 30 June 2024 which is normally used as a guide for Salary Increase. The Municipality used the inflation rate (CPI) as a base for 2024/2025 to increase the salaries.

Impact of national, provincial, and local policies

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

- Creating jobs;

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

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

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

It is estimated that a spending rate of at least 100 per cent is achieved on operating expenditure and 100 per cent on the capital programme for the 2023/2024 MTREF of which performance has been factored into the cash flow budget.

## 2.6 Overview of budget funding

### 2.6.1 Medium-term outlook: operating revenue

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

**Table 26 Breakdown of the operating revenue over the medium-term**

Description	Adjustments Budget Year 2023/2024	Budget Year 2024/2025	%	Budget Year 2025/2026	%	Budget Year 2026/2027
<b>Revenue By Source</b>						
Property rates	255,064,477	271,174,940.00	44%	283,648,986.00	43%	296,696,839.00
Service charges - electricity revenue	158,598,877	173,523,779.00	28%	195,368,390.00	30%	221,564,520.00
Service charges - refuse revenue	13,811,070	16,069,108.00	3%	16,808,287.00	3%	17,564,660.00
Rental of facilities and equipment	1,374,766	1,442,130.00	0%	1,508,468.00	0%	1,576,348.00
Interest earned - external investments	3,029,552	3,178,000.00	1%	3,324,188.00	1%	3,473,777.00
Interest on outstanding debtors	18,086,108	18,972,327.00	3%	19,845,054.00	3%	20,757,927.00
Fines, Penalties and Forfeits	3,104,681	3,256,810.00	1%	3,406,623.00	1%	3,559,921.00
Licences and permits	3,738,669	3,921,864.00	1%	4,102,269.00	1%	4,286,871.00
Transfers recognised - operational	114,021,991	115,580,070.00	19%	118,696,160.00	18%	123,977,153.00
Other revenue	7,144,044	7,494,103.00	1%	7,720,273.00	1%	8,067,916.00
<b>NET OPERATING INCOME</b>	<b>577,974,235.00</b>	<b>614,613,131.00</b>	<b>100%</b>	<b>654,428,698.00</b>	<b>100%</b>	<b>701,525,932.00</b>

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 the provision of goods and services such as electricity, solid waste removal, property rates, operating grants from organs of state and other minor charges (such as building plan fees, licenses, fines and permits etc.).

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

- Growth in the Municipality and economic development;
- Revenue management and enhancement;
- Achievement of a 92 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Energy Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels.

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

The proposed tariff increases for the 2024/2025 MTREF on the different revenue categories are:

**Table 27 Proposed tariff increases over the medium-term**

Revenue category	2019/20 proposed tariff increase	2019/20 proposed tariff increase	2020/21 proposed tariff increase	2021/22 additional revenue for each % tariff increase	2022/2023 additional revenue owing to % tariff increase	2023/2024 additional revenue owing to % tariff increase
	%	%	%	R'000	R'000	R'000
Property rates	6	7	7	R8.561	R8.919	R9.277
Solid Waste	6	6	6	R7.334	R7.621	R7.929
Electricity	8	8	8	R8.670	R9.008	R9.371
<b>Total</b>	<b>20</b>	<b>21</b>	<b>21</b>	<b>R24.57</b>	<b>R25.55</b>	<b>R 26.58</b>

Revenue to be generated from property rates is R271 million in the 2024/2025 financial year and increases to R 283 million by 2025/2026 which represents 43per cent of the operating revenue base of the Municipality. It remains relatively constant over the medium-term. With the implementation of the Municipal Property Rates Act the basis of rating significantly changed.

There were objections and appeals received, The Valuations Appeals Board has dealt with during the 2023/2024 MTREF. As the levying of property rates is considered a strategic revenue source further monthly reviews processes will be undertaken in the 2024/2025 MTREF. The outcome of this initiative will be closely monitored and reported on a regular basis as part of the quarterly performance reporting. The new valuation roll has been done in terms of Municipal Property Rates Act in July 2022 and implemented accordingly.

Services charges relating to electricity and refuse removal constitutes the second biggest component of the revenue basket of the Municipality totalling R 172,5 million for the 2024/2025 financial year and increasing to R 195,3 million by 2025/2026. For the 2024/2025 financial year services charges amount to 28 per cent of the total revenue base and at 30 per cent per annum over the medium-term. This growth can mainly be attributed to the increase in the bulk prices of electricity.

Operational grants and subsidies amount to R 115,5m, R 118,6m and R 123,9m for each of the respective financial years of the MTREF. The percentage of the total operational grants and

transfers in relation to the total operating revenue is distorted owing to the high increases in revenue relating to services charges.

It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

## 2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2024/2025 medium-term capital programme:

**Table 28 Sources of capital revenue over the MTREF**

<b>Funded by:</b>											
National Government		29,130	-	5,986	46,708	52,992	52,992	612	47,891	41,869	43,901
Provincial Government		-	-	-	1,400	1,400	1,400	-	750	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	<b>29,130</b>	<b>-</b>	<b>5,986</b>	<b>48,108</b>	<b>54,392</b>	<b>54,392</b>	<b>612</b>	<b>48,641</b>	<b>41,869</b>	<b>43,901</b>
<b>Public contributions &amp; donations</b>	5	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Borrowing</b>	6	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Internally generated funds</b>		<b>9,136</b>	<b>111</b>	<b>1,163</b>	<b>35,710</b>	<b>39,235</b>	<b>39,235</b>	<b>(330)</b>	<b>31,170</b>	<b>28,336</b>	<b>29,611</b>
<b>Total Capital Funding</b>	7	<b>38,266</b>	<b>111</b>	<b>7,150</b>	<b>83,818</b>	<b>93,627</b>	<b>93,627</b>	<b>282</b>	<b>79,811</b>	<b>70,205</b>	<b>73,512</b>

Capital grants and receipts equates to 61 per cent of the total funding source which represents R 48,6 million for the 2024/2025 financial year.

Internally generated funds consist of a mixture between surpluses generated on the operating statement of financial performance and cash backed reserves. In determining the credibility of this funding source it becomes necessary to review the cash flow budget as well as the cash backed reserves and accumulated funds reconciliation, as discussed below. Internally generated funds consist of R 31,1 million.

**Table 29 MBRR Table SA 18 – Operating and Capital transfers and grant receipts.**

KZN222 uMngeni - Supporting Table SA18 Transfers and grant receipts											
R thousand	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
<b>RECEIPTS:</b>											
	<b>Operating Transfers and Grants</b>	1, 2									
	<b>National Government:</b>		95,601	98,695	95,477	108,501	107,712	107,712	109,168	113,270	118,307
	Operational Revenue-General Revenue:Equitable Share		85,401	77,509	88,389	98,874	98,874	98,874	105,408	110,647	115,426
	2014 African Nations Championship Host City Operating Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
	Agriculture Research and Technology		-	-	-	-	-	-	-	-	-
	Agriculture, Conservation and Environmental		-	-	-	-	-	-	-	-	-
	Arts and Culture Sustainable Resource Management		-	-	-	-	-	-	-	-	-
	Community Library		-	-	-	-	-	-	-	-	-
	Department of Environmental Affairs		-	-	-	-	-	-	-	-	-
	Department of Tourism		-	-	-	-	-	-	-	-	-
	Department of Water Affairs and Sanitation Masibambane		-	-	-	-	-	-	-	-	-
	Emergency Medical Service		-	-	-	-	-	-	-	-	-
	Energy Efficiency and Demand-side [Schedule 5B]		-	-	20	40	120	120	-	-	-
	Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		1,000	980	1,400	2,329	2,199	2,199	1,336	-	-
	HIV and Aids		-	-	-	-	-	-	-	-	-
	Housing Accreditation		-	-	-	-	-	-	-	-	-
	Housing Top structure		-	-	-	-	-	-	-	-	-
	Infrastructure Skills Development Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
	Integrated City Development Grant		-	-	-	-	-	-	-	-	-
	Khayelitsha Urban Renewal		-	-	-	-	-	-	-	-	-
	Local Government Financial Management Grant [Schedule 5B]		2,030	1,720	1,720	1,720	1,620	1,520	1,700	1,795	1,991
	Mitchell's Plain Urban Renewal		-	-	-	-	-	-	-	-	-
	Municipal Demarcation and Transition Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
	Municipal Disaster Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
	Municipal Human Settlement Capacity Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
	Municipal Systems Improvement Grant		-	-	-	-	-	-	-	-	-
	Natural Resource Management Project		-	-	-	-	-	-	-	-	-
	Neighbourhood Development Partnership Grant		-	-	-	-	-	-	-	-	-
	Operation Clean Audit		-	-	-	-	-	-	-	-	-
	Municipal Disaster Recovery Grant		-	-	-	-	-	-	-	-	-
	Public Service Improvement Facility		-	-	-	-	-	-	-	-	-
	Public Transport Network Operations Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
	Restructuring - Seed Funding		-	-	-	-	-	-	-	-	-
	Revenue Enhancement Grant Debtors Book		-	-	-	-	-	-	-	-	-
	Rural Road Asset Management Systems Grant		-	-	-	-	-	-	-	-	-
	Sport and Recreation		-	-	-	-	-	-	-	-	-
	Terrestrial Invasive Alien Plants		-	-	-	-	-	-	-	-	-
	Water Services Operating Subsidy Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
	Health Hygiene in Informal Settlements		-	-	-	-	-	-	-	-	-
	Municipal Infrastructure Grant [Schedule 5B]		-	-	93	938	400	400	724	828	890
	Water Services Infrastructure Grant		-	-	-	-	-	-	-	-	-
	Public Transport Network Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
	Smart Connect Grant		-	-	-	-	-	-	-	-	-
	Urban Settlement Development Grant		-	-	-	-	-	-	-	-	-
	WiFi Grant [Department of Telecommunications and Postal Services		-	-	-	-	-	-	-	-	-
	Street Lighting		-	-	-	-	-	-	-	-	-
	Traditional Leaders - Imbizo		-	-	-	-	-	-	-	-	-
	Department of Water and Sanitation Smart Living Handbook		-	-	-	-	-	-	-	-	-
	Integrated National Electrification Programme Grant		7,171	18,486	3,855	4,600	4,600	4,600	-	-	-
	Municipal Restructuring Grant		-	-	-	-	-	-	-	-	-
	Regional Bulk Infrastructure Grant		-	-	-	-	-	-	-	-	-
	Municipal Emergency Housing Grant		-	-	-	-	-	-	-	-	-
	Metro Informal Settlements Partnership Grant		-	-	-	-	-	-	-	-	-
	Integrated Urban Development Grant		-	-	-	-	-	-	-	-	-
	Programme and Project Preparation Support Grant		-	-	-	-	-	-	-	-	-
	<b>Provincial Government:</b>		4,356	4,451	4,926	5,686	5,686	5,686	6,412	5,426	5,670
	Capacity Building		-	-	-	-	-	-	-	-	-
	Capacity Building and Other		4,356	4,451	4,926	5,686	5,686	5,686	6,412	5,426	5,670
	Disaster and Emergency Services		-	-	-	-	-	-	-	-	-
	Health		-	-	-	-	-	-	-	-	-
	Housing		-	-	-	-	-	-	-	-	-
	Infrastructure		-	-	-	-	-	-	-	-	-
	Libraries, Archives and Museums		-	-	-	-	-	-	-	-	-
	Other		-	-	-	-	-	-	-	-	-
	Public Transport		-	-	-	-	-	-	-	-	-
	Road Infrastructure - Maintenance		-	-	-	-	-	-	-	-	-
	Sports and Recreation		-	-	-	-	-	-	-	-	-
	Waste Water Infrastructure - Maintenance		-	-	-	-	-	-	-	-	-
	Water Supply Infrastructure - Maintenance		-	-	-	-	-	-	-	-	-
	<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
	<i>All Grants</i>		-	-	-	-	-	-	-	-	-
	<b>Other Grant Providers:</b>		-	-	-	-	-	-	-	-	-
	<i>Departmental Agencies and Accounts</i>		-	-	-	-	-	-	-	-	-
	<i>Foreign Government and International Organisations</i>		-	-	-	-	-	-	-	-	-
	<i>Households</i>		-	-	-	-	-	-	-	-	-
	<i>Non-profit Institutions</i>		-	-	-	-	-	-	-	-	-
	<i>Private Enterprises</i>		-	-	-	-	-	-	-	-	-
	<i>Public Corporations</i>		-	-	-	-	-	-	-	-	-
	<i>Higher Educational Institutions</i>		-	-	-	-	-	-	-	-	-
	<i>Parent Municipality / Entity</i>		-	-	-	-	-	-	-	-	-
	<i>Transfer from Operational Revenue</i>		-	-	-	-	-	-	-	-	-
	<b>Total Operating Transfers and Grants</b>	5	99,957	103,146	100,403	114,187	113,398	113,398	115,580	118,696	123,977
	<b>Capital Transfers and Grants</b>										
	<b>National Government:</b>		31,183	24,146	49,703	46,708	52,992	52,992	47,891	41,869	43,901
	Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		-	-	15,000	16,876	16,876	14,620	15,000	15,000	15,000
	Municipal Infrastructure Grant [Schedule 5B]		31,183	24,146	30,723	25,832	24,617	24,617	25,745	26,764	26,792
	Municipal Water Infrastructure Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
	Neighbourhood Development Partnership Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
	Public Transport Infrastructure Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
	Rural Household Infrastructure Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
	Rural Road Asset Management Systems Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
	Urban Settlement Development Grant [Schedule 4B]		-	-	-	-	-	-	-	-	-
	Municipal Human Settlement		-	-	-	-	-	-	-	-	-
	Community Library		-	-	-	-	-	-	-	-	-
	Integrated City Development Grant [Schedule 4B]		-	-	-	-	-	-	-	-	-
	Municipal Disaster Recovery Grant [Schedule 4B]		-	-	-	-	-	-	-	-	-
	Energy Efficiency and Demand Side Management Grant		-	-	3,981	3,960	7,418	7,418	7,426	-	-
	Khayelitsha Urban Renewal		-	-	-	-	-	-	-	-	-
	Local Government Financial Management Grant [Schedule 5B]		-	-	-	-	200	200	100	105	109
	Municipal Systems Improvement Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
	Public Transport Network Operations Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
	Regional Bulk Infrastructure Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
	Water Services Infrastructure Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
	WiFi Connectivity		-	-	-	-	-	-	-	-	-
	Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		-	-	-	-	-	-	-	-	-
	Aquaponic Project		-	-	-	-	-	-	-	-	-
	Restion Settlement		-	-	-	-	-	-	-	-	-
	Infrastructure Skills Development Grant [Schedule 5B]		-	-	-	-	-	-	-	-	-
	Restructuring Seed Funding		-	-	-	-	-	-	-	-	-
	Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
	Municipal Emergency Housing Grant		-	-	-	-	-	-	-	-	-
	Metro Informal Settlements Partnership Grant		-	-	-	-	-	-	-	-	-
	Integrated Urban Development Grant		-	-	-	-	-	-	-	-	-
	<b>Provincial Government:</b>		-	-	-	1,400	1,400	1,400	750	-	-
	Capacity Building		-	-	-	-	-	-	-	-	-
	Capacity Building and Other		-	-	-	1,400	1,400	1,400	-	-	-
	Disaster and Emergency Services		-	-	-	-	-	-	-	-	-
	Health		-	-	-	-	-	-	-	-	-
	Housing		-	-	-	-	-	-	-	-	-
	Infrastructure		-	-	-	-	-	-	750	-	-
	Libraries, Archives and Museums		-	-	-	-	-	-	-	-	-
	Other		-	-	-	-	-	-	-	-	-
	Public Transport		-	-	-	-	-	-	-	-	-
	Road Infrastructure		-	-	-	-	-	-	-	-	-
	Sports and Recreation		-	-	-	-	-	-	-	-	-
	Waste Water Infrastructure		-	-	-	-	-	-	-	-	-
	Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
	<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
	<i>All Grants</i>		-	-	-	-	-	-	-	-	-
	<b>Other Grant Providers:</b>		-	-	-	-	-	-	-	-	-
	<i>Departmental Agencies and Accounts</i>		-	-	-	-	-	-	-	-	-
	<i>Foreign Government and International Organisations</i>		-	-	-	-	-	-	-	-	-
	<i>Households</i>		-	-	-	-	-	-	-	-	-
	<i>Non-Profit Institutions</i>		-	-	-	-	-	-	-	-	-
	<i>Private Enterprises</i>		-	-	-	-	-	-	-	-	-
	<i>Public Corporations</i>		-	-	-	-	-	-	-	-	-
	<i>Higher Educational Institutions</i>	</									

## 2.6.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provided for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

**Table 30 MBRR Table A7 - Budget cash flow statement**

KZN222 uMngeni - Table A7 Budgeted Cash Flows											
Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>											
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		198,465	209,464	259,757	240,886	237,210	237,210	225,871	249,481	266,630	278,895
Service charges		101,633	103,706	106,251	190,150	187,661	187,661	81,696	216,242	241,952	272,646
Other revenue		7,868	11,874	9,153	77,829	86,613	86,613	31,483	81,353	84,825	90,545
Transfers and Subsidies - Operational	1	98,641	103,661	101,039	114,187	113,398	113,398	113,398	115,580	118,696	123,977
Transfers and Subsidies - Capital	1	22,628	24,146	49,703	48,108	54,392	54,392	52,392	48,641	41,869	43,901
Interest		1,715	2,533	3,520	3,030	3,030	3,030	1,373	3,178	3,324	3,474
Dividends		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Suppliers and employees		(389,657)	(425,293)	(458,470)	(577,540)	(566,920)	(566,920)	(382,552)	(617,267)	(663,160)	(718,016)
Interest		(2,282)	(1,208)	(239)	(47)	(61)	(61)	(30)	(66)	(66)	(69)
Transfers and Subsidies	1	-	-	(1,407)	(1,528)	(1,676)	(1,676)	(1,081)	(1,242)	(1,299)	(1,359)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>39,011</b>	<b>28,883</b>	<b>69,308</b>	<b>95,076</b>	<b>113,647</b>	<b>113,647</b>	<b>122,550</b>	<b>95,899</b>	<b>92,771</b>	<b>93,993</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		-	-	585	316	316	316	-	331	347	362
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Capital assets		(40,883)	(33,893)	(61,285)	(96,390)	(107,672)	(107,672)	(58,678)	(91,782)	(80,735)	(84,539)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(40,883)</b>	<b>(33,893)</b>	<b>(60,700)</b>	<b>(96,074)</b>	<b>(107,356)</b>	<b>(107,356)</b>	<b>(58,678)</b>	<b>(91,451)</b>	<b>(80,389)</b>	<b>(84,176)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		(1,804)	(1,394)	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		129	(1)	12	(189)	(189)	(189)	(560)	-	-	-
<b>Payments</b>											
Repayment of borrowing		(6,067)	(2,457)	(9,992)	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(7,743)</b>	<b>(3,852)</b>	<b>(9,980)</b>	<b>(189)</b>	<b>(189)</b>	<b>(189)</b>	<b>(560)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(9,615)</b>	<b>(8,862)</b>	<b>(1,372)</b>	<b>(1,188)</b>	<b>6,102</b>	<b>6,102</b>	<b>63,312</b>	<b>4,449</b>	<b>12,383</b>	<b>9,817</b>
Cash/cash equivalents at the year begin:	2	32,099	22,484	13,622	42,170	12,250	12,250	12,250	18,352	22,801	35,183
Cash/cash equivalents at the year end:	2	22,484	13,622	12,250	40,982	18,352	18,352	75,562	22,801	35,183	45,000

The above table shows that cash and cash equivalents of the Municipality have increased from between the 2020/2021 and 2021/2022 financial year moving from a positive cash balance of R 13,6 million to 12,2 million with the approved 2022/2023 MTREF. With the 2023/2024 adjustments budget various cost efficiencies and savings had to be realised to ensure the Municipality could meet its operational expenditure commitments. In addition the Municipality

undertook an extensive debt collection process to boost cash levels. These initiatives and interventions have translated into a positive cash position for the Municipality.

## 2.6.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted
- cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

KZN222 uMngeni - 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
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	28,923	15,016	12,226	40,982	18,352	18,352	75,562	22,817	37,555	58,036
Other current investments > 90 days		(6,438)	(1,394)	24	-	-	-	(440)	(17)	-	-
Non current Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>22,484</b>	<b>13,622</b>	<b>12,250</b>	<b>40,982</b>	<b>18,352</b>	<b>18,352</b>	<b>75,122</b>	<b>22,801</b>	<b>37,555</b>	<b>58,036</b>
<b>Application of cash and investments</b>											
Trade payables from Non-exchange transactions: Unspent co		2,016	1,060	624	1,819	0	0	24,007	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	5,124	14,448	10,941	4,146	2,179	2,179	(3,925)	374	(1,693)	(4,062)
Other working capital requirements	3	(3,425)	(22,697)	(1,982)	(84,122)	(38,674)	(38,674)	(63,374)	(72,882)	(109,424)	(160,743)
Other provisions		27,534	16,399	3,097	41,840	23,995	23,995	18,105	30,173	36,635	43,393
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>31,248</b>	<b>9,209</b>	<b>12,679</b>	<b>(36,317)</b>	<b>(12,500)</b>	<b>(12,500)</b>	<b>(25,187)</b>	<b>(42,336)</b>	<b>(74,481)</b>	<b>(121,412)</b>
<b>Surplus(shortfall)</b>		<b>(8,764)</b>	<b>4,413</b>	<b>(429)</b>	<b>77,299</b>	<b>30,852</b>	<b>30,852</b>	<b>100,309</b>	<b>65,136</b>	<b>112,037</b>	<b>179,448</b>

**Table 31 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation**

From the above table the cash and investments available total R 22,8 million positive in the 2024/2025 financial year and increases to R 37,5 million by 2024/2025, including the projected

cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. In the past these have been allowed to 'roll-over' and be spent in the ordinary course of business.
- There are no unspent borrowing from the previous financial years. In terms of the municipality's Borrowing and Investments Policy, borrowings are only drawn down once the expenditure has been incurred against the particular project. Unspent borrowing is ring-fenced and reconciled on a monthly basis to ensure no unnecessary liabilities are incurred.
- Provisions for statutory requirements include VAT owing to timing differences resulting from year-end obligations.
- The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. For the purpose of the cash backed reserves and accumulated surplus reconciliation a provision equivalent to one month's operational expenditure has been provided for. It needs to be noted that although this can be considered prudent, the desired cash levels should be 60 days to ensure continued liquidity of the municipality. Any underperformance in relation to collections could place upward pressure on the ability of the Municipality to meet its creditor obligations.
- Long term investments consist primarily of the sinking funds for the repayment of future borrowings. The sinking fund value is held within long term investments and must be 'held to maturity' and is not available for spending.

### **2.6.5 Funding compliance measurement**

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding



compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

**Table 32 MBRR SA10 – Funding compliance measurement**

<b>Total Operating Revenue</b>			439,536	476,146	475,028	571,897	577,974	577,974	454,389	614,613	654,429	701,526
<b>Total Operating Expenditure</b>			521,092	522,313	608,060	571,590	587,056	587,056	411,690	614,180	653,932	700,956
<b>Operating Performance Surplus/(Deficit)</b>			(81,556)	(46,167)	(133,031)	307	(9,081)	(9,081)	42,699	433	497	570
<b>Cash and Cash Equivalents (30 June 2012)</b>												
<b>Revenue</b>												
% Increase in Total Operating Revenue			8.3%	(0.2%)	20.4%	1.1%	0.0%	(21.4%)	6.3%	6.5%	7.2%	
% Increase in Property Rates Revenue			5.4%	2.7%	6.5%	0.6%	0.0%	(14.6%)	24.5%	4.6%	4.6%	
% Increase in Electricity Revenue			12.1%	0.9%	65.4%	1.6%	0.0%	(41.9%)	9.4%	12.6%	13.4%	
% Increase in Property Rates & Services Charges			7.5%	2.9%	22.1%	1.7%	0.0%	(25.2%)	7.8%	7.6%	8.1%	
<b>Expenditure</b>												
% Increase in Total Operating Expenditure			0.2%	16.4%	(6.0%)	2.7%	0.0%	(29.9%)	4.6%	6.5%	7.2%	
% Increase in Employee Costs			(1.0%)	10.9%	13.4%	(4.2%)	0.0%	(19.1%)	8.4%	4.3%	4.5%	
% Increase in Electricity Bulk Purchases			23.1%	(4.7%)	26.9%	0.6%	0.0%	(27.7%)	12.7%	11.1%	9.4%	
Average Cost Per Budgeted Employee Position (Remuneration)				231875.3234	1559657.73				1573099.515			
Average Cost Per Councillor (Remuneration)				0	0				0			
R&M % of PPE			1.6%	2.8%	2.9%	2.4%	3.0%	3.0%	2.9%	3.0%	3.1%	
Asset Renewal and R&M as a % of PPE			3.9%	2.3%	3.0%	4.2%	5.6%	5.6%	4.6%	3.0%	4.3%	
Debt Impairment % of Total Billable Revenue			0.5%	0.5%	0.6%	1.1%	1.5%	1.5%	0.4%	1.8%	1.5%	1.4%
<b>Capital Revenue</b>												
Internally Funded & Other (R'000)			-	-	-	-	-	-	-	-	-	-
Borrowing (R'000)			-	-	-	-	-	-	-	-	-	-
Grant Funding and Other (R'000)			40,883	33,893	59,380	83,818	93,627	93,627	52,534	79,811	70,205	73,512
Internally Generated funds % of Non Grant Funding			(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)	(100.0%)
Borrowing % of Non Grant Funding			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grant Funding % of Total Funding			347.9%	276.7%	613.6%	234.7%	238.6%	238.6%	260.3%	256.1%	247.8%	248.3%
<b>Capital Expenditure</b>												
Total Capital Programme (R'000)			40,883	33,893	59,380	83,818	93,627	93,627	52,524	79,811	70,205	73,512
Asset Renewal			24,855	(5,030)	1,564	19,700	26,298	26,298	-	17,483	262	13,065
Asset Renewal % of Total Capital Expenditure			60.8%	(14.8%)	2.6%	23.5%	28.1%	28.1%	0.0%	21.9%	0.4%	17.8%
<b>Cash</b>												
Cash Receipts % of Rate Payer & Other			92.8%	90.5%	103.2%	114.1%	112.9%	112.9%	100.4%	112.5%	113.6%	113.9%
Cash Coverage Ratio			0	0	0	0	0	0	0	0	0	0
<b>Borrowing</b>												
Credit Rating (2009/10)									0			
Capital Charges to Operating			12.6%	13.9%	21.3%	9.0%	10.6%	10.6%	12.1%	9.3%	9.1%	9.6%
Borrowing Receipts % of Capital Expenditure			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Reserves</b>												
Surplus/(Deficit)			(8,764)	4,413	(429)	77,299	30,852	30,852	100,309	65,136	112,037	179,448
<b>Free Services</b>												
Free Basic Services as a % of Equitable Share			0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	
Free Services as a % of Operating Revenue (excl operational transfers)			(0.6%)	(0.8%)	30.6%	16.6%	15.8%	15.8%	5.2%	5.1%	4.9%	
<b>Total Operating Revenue</b>			439,536	476,146	475,028	571,897	577,974	577,974	454,389	614,613	654,429	701,526
<b>Total Operating Expenditure</b>			521,092	522,313	608,060	571,590	587,056	587,056	411,690	614,180	653,932	700,956
<b>Surplus/(Deficit) Budgeted Operating Statement</b>			(81,556)	(46,167)	(133,031)	307	(9,081)	(9,081)	42,699	433	497	570
<b>Surplus/(Deficit) Considering Reserves and Cash Backing</b>			(8,764)	4,413	(429)	77,299	30,852	30,852	100,309	65,136	112,037	179,448
<b>MTREF Funded (1) / Unfunded (0)</b>	15		0	1	0	1	1	1	1	1	1	1
<b>MTREF Funded ✓ / Unfunded ✘</b>	15		✘	✓	✘	✓	✓	✓	✓	✓	✓	✓

### 2.6.5.1 Cash/cash equivalent position

The Municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year.

#### *2.6.5.2 Cash plus investments less application of funds*

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 19. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

#### *2.6.5.3 Monthly average payments covered by cash or cash equivalents*

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts. As indicated above the Municipality aims to achieve at least one month's cash coverage in the medium term, and then gradually move towards two months coverage. This measure will have to be carefully monitored going forward.

#### *2.6.5.4 Surplus/deficit excluding depreciation offsets*

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

#### *2.6.5.5 Property Rates/service charge revenue as a percentage increase less macro inflation target*

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

#### *2.6.5.6 Cash receipts as a percentage of ratepayer and other revenue*

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. Given that the assumed collection rate was based on 92 per cent performance target, the cash flow statement has been conservatively determined. In addition the risks associated with objections to the valuation roll need to be clarified and hence the conservative approach, also taking into consideration the cash flow challenges experienced in the current financial year. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review

and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

#### *2.6.5.7 Debt impairment expense as a percentage of billable revenue*

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. Considering the debt incentive scheme and the municipality's revenue management strategy's objective to collect outstanding debtors of 90 days, the provision is well within the accepted leading practice.

#### *2.6.5.8 Capital payments percentage of capital expenditure*

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that creditors be paid within 30 days.

#### *2.6.5.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)*

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded.

#### *2.6.5.10 Transfers/grants revenue as a percentage of Government transfers/grants available*

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The Municipality has budgeted for all transfers.

#### *2.6.5.11 Consumer debtors change (Current and Non-current)*

The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Both measures show a relatively stable trend in line with the Municipality's policy of settling debtor's accounts within 30 days.

#### *2.6.5.12 Repairs and maintenance expenditure level*

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. Details of the Municipality's strategy pertaining to asset management and repairs and maintenance are contained in Table 55 MBRR.

#### 2.6.5.13 *Asset renewal/rehabilitation expenditure level*

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets.

## 2.7 Expenditure on transfers and grants programmes

### Table 33 MBRR SA19 - Expenditure on transfers and grant programmes

KZN222 uMngeni - Supporting Table SA19 Expenditure on transfers and grant programme											
R thousand	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
<b>EXPENDITURE:</b>											
	<b>Operating expenditure of Transfers and Grants</b>	1									
	<b>National Government:</b>		95,601	101,197	95,477	108,951	107,712	107,712	109,168	113,270	118,307
	Operational Revenue: General Revenue: Equitable Share		85,401	77,509	88,389	98,874	98,874	98,874	105,408	110,647	115,426
	Operational Revenue: General Revenue: Fuel Levy										
	2014 African Nations Championship Host City Operating Grant (Schedule 5B)										
	Agriculture Research and Technology										
	Agriculture, Conservation and Environmental										
	Arts and Culture Sustainable Resource Management										
	Community Library										
	Department of Environmental Affairs										
	Department of Tourism										
	Department of Water Affairs and Sanitation Masibambane										
	Emergency Medical Service										
	Energy Efficiency and Demand-side (Schedule 5B)				20	40	120	120			
	Expanded Public Works Programme Integrated Grant for Municipalities (Schedule 5B)		1,000	980	1,400	2,329	2,199	2,199	1,336		
	HIV and Aids										
	Housing Accreditation										
	Housing Top structure										
	Infrastructure Skills Development Grant (Schedule 5B)										
	Integrated City Development Grant										
	Khayelitsha Urban Renewal										
	Local Government Financial Management Grant (Schedule 5B)										
	Mitchell's Plain Urban Renewal		2,030	1,720	1,720	1,720	1,520	1,520	1,700	1,795	1,991
	Municipal Demarcation and Transition Grant (Schedule 5B)										
	Municipal Disaster Grant (Schedule 5B)										
	Municipal Human Settlement Capacity Grant (Schedule 5B)										
	Municipal Systems Improvement Grant										
	Natural Resource Management Project										
	Neighbourhood Development Partnership Grant										
	Operation Clean Audit										
	Municipal Disaster Recovery Grant										
	Public Service Improvement Facility										
	Public Transport Network Operations Grant (Schedule 5B)										
	Restructuring - Seed Funding										
	Revenue Enhancement Grant Debtors Book										
	Rural Road Asset Management Systems Grant										
	Sport and Recreation										
	Terrestrial Invasive Alien Plants										
	Water Services Operating Subsidy Grant (Schedule 5B)										
	Health Hygiene in Informal Settlements										
	Municipal Infrastructure Grant (Schedule 5B)			2,502	93	1,388	400	400	724	827	890
	Water Services Infrastructure Grant										
	Public Transport Network Grant (Schedule 5B)										
	Smart Connect Grant										
	Urban Settlement Development Grant										
	WiFi Grant (Department of Telecommunications and Postal Services)										
	Street Lighting										
	Traditional Leaders - Imbizo										
	Department of Water and Sanitation Smart Living Handbook										
	Integrated National Electrification Programme Grant		7,171	18,486	3,855	4,600	4,600	4,600			
	Municipal Restructuring Grant										
	Regional Bulk Infrastructure Grant										
	Municipal Emergency Housing Grant										
	Programme and Project Preparation Support Grant										
	<b>Provincial Government:</b>		4,356	5,407	5,362	6,386	6,310	6,310	6,412	5,426	5,670
	Capacity Building										
	Capacity Building and Other		4,356	5,407	5,362	6,386	6,310	6,310	6,412	5,426	5,670
	Disaster and Emergency Services										
	Health										
	Housing										
	Infrastructure										
	Libraries, Archives and Museums										
	Other										
	Public Transport										
	Road Infrastructure - Maintenance										
	Sports and Recreation										
	Waste Water Infrastructure - Maintenance										
	Water Supply Infrastructure - Maintenance										
	<b>District Municipality:</b>										
	<b>All Grants:</b>										
	<b>Other Grant Providers:</b>										
	Departmental Agencies and Accounts										
	Foreign Government and International Organisations										
	Households										
	Non-profit Institutions										
	Private Enterprises										
	Public Corporations										
	Higher Educational Institutions										
	Parent Municipality / Entity										
	<b>Total operating expenditure of Transfers and Grants:</b>		99,957	106,605	100,838	115,337	114,022	114,022	115,580	118,696	123,977
	<b>Capital expenditure of Transfers and Grants</b>										
	<b>National Government:</b>		31,183	21,644	49,703	46,708	52,992	52,992	47,891	41,869	43,901
	Integrated National Electrification Programme (Municipal Grant) (Schedule 5B)				15,000	16,876	16,876	16,876	14,620	15,000	15,000
	Municipal Infrastructure Grant (Schedule 5B)		31,183	21,644	30,723	29,832	24,617	24,617	26,745	26,764	28,792
	Municipal Water Infrastructure Grant (Schedule 5B)										
	Neighbourhood Development Partnership Grant (Schedule 5B)										
	Public Transport Infrastructure Grant (Schedule 5B)										
	Rural Household Infrastructure Grant (Schedule 5B)										
	Rural Road Asset Management Systems Grant (Schedule 5B)										
	Urban Settlement Development Grant (Schedule 4B)										
	Municipal Human Settlement										
	Community Library										
	Integrated City Development Grant (Schedule 4B)										
	Municipal Disaster Recovery Grant (Schedule 4B)										
	Energy Efficiency and Demand Side Management Grant								7,418	7,426	
	Khayelitsha Urban Renewal				3,981	3,960	3,881	3,881			
	Local Government Financial Management Grant (Schedule 5B)										
	Municipal Systems Improvement Grant (Schedule 5B)						200	200	100	105	109
	Public Transport Network Grant (Schedule 5B)										
	Public Transport Network Operations Grant (Schedule 5B)										
	Regional Bulk Infrastructure Grant (Schedule 5B)										
	Water Services Infrastructure Grant (Schedule 5B)										
	WiFi Connectivity										
	Expanded Public Works Programme Integrated Grant for Municipalities (Schedule 5B)										
	Aquaponic Project										
	Resilient Settlement										
	Infrastructure Skills Development Grant (Schedule 5B)										
	Restructuring Seed Funding										
	Municipal Disaster Relief Grant										
	Municipal Emergency Housing Grant										
	Metro Informal Settlements Partnership Grant										
	Integrated Urban Development Grant					1,400	1,400	1,400	750		
	<b>Provincial Government:</b>										
	Capacity Building										
	Capacity Building and Other										
	Disaster and Emergency Services										
	Health										
	Housing										
	Infrastructure					1,400	1,400	1,400	750		
	Libraries, Archives and Museums										
	Other										
	Public Transport										
	Road Infrastructure										
	Sports and Recreation										
	Waste Water Infrastructure										
	Water Supply Infrastructure										
	<b>District Municipality:</b>										
	<b>All Grants:</b>										
	<b>Other Grant Providers:</b>										
	Departmental Agencies and Accounts										
	Foreign Government and International Organisations										
	Households										
	Non-Profit Institutions										
	Private Enterprises										
	Public Corporations										
	Higher Educational Institutions										
	Parent Municipality / Entity										
	Transfer from Operational Revenue										
	<b>Total capital expenditure of Transfers and Grants</b>		31,183	21,644	49,703	48,108	54,392	54,392	48,641	41,869	43,901
	<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		131,140	128,248	150,542	163,445	168,414	168,414	164,221	160,565	167,878

## 2.8 Councillor and employee benefits

### Table 34 MBRR SA22 - Summary of councillor and staff benefits

KZN222 uMngeni - Supporting Table SA22 Summary councillor and staff benefits										
Summary of Employee and Councillor remuneration	Ref	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand		A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Basic Salaries and Wages		6,234	6,850	7,087	7,506	7,764	7,764	8,144	8,519	8,910
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		2,078	2,155	2,362	2,577	2,602	2,602	2,730	2,855	2,987
Cellphone Allowance		938	985	1,020	1,122	1,136	1,136	1,192	1,247	1,304
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		79	103	(72)	122	227	227	238	249	260
<b>Sub Total - Councillors</b>		<b>9,330</b>	<b>10,093</b>	<b>10,397</b>	<b>11,327</b>	<b>11,729</b>	<b>11,729</b>	<b>12,303</b>	<b>12,869</b>	<b>13,461</b>
<b>% increase</b>	4		<b>8.2%</b>	<b>3.0%</b>	<b>8.9%</b>	<b>3.5%</b>	-	<b>4.9%</b>	<b>4.6%</b>	<b>4.6%</b>
<b>Senior Managers of the Municipality</b>	2									
Basic Salaries and Wages		5,445	5,294	4,680	9,018	8,128	8,128	8,526	8,918	9,319
Pension and UIF Contributions		11	12	11	15	15	15	16	16	17
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	1,141	1,242	1,563	80	21	21	22	23	24
Cellphone Allowance	3	113	91	3	93	64	64	67	70	73
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	1	1	1	1	1	1	1	1	1
Payments in lieu of leave		-	100	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Entertainment	6	-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	115	12	150	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>6,711</b>	<b>6,855</b>	<b>6,269</b>	<b>9,358</b>	<b>8,229</b>	<b>8,229</b>	<b>8,632</b>	<b>9,029</b>	<b>9,435</b>
<b>% increase</b>	4		<b>2.1%</b>	<b>(8.5%)</b>	<b>49.3%</b>	<b>(12.1%)</b>	-	<b>4.9%</b>	<b>4.6%</b>	<b>4.5%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		68,319	70,033	76,507	92,045	90,470	90,470	100,628	104,850	109,546
Pension and UIF Contributions		14,348	13,978	15,127	17,312	17,045	17,045	17,881	18,692	19,533
Medical Aid Contributions		5,825	5,952	6,598	8,868	7,703	7,703	8,080	8,452	8,832
Overtime		6,842	8,400	11,176	11,453	6,423	6,423	6,237	6,524	6,818
Performance Bonus		-	5,292	5,792	5,858	5,812	5,812	6,097	6,377	6,664
Motor Vehicle Allowance	3	4,784	4,925	5,599	6,101	6,501	6,501	6,819	7,133	7,454
Cellphone Allowance	3	311	303	129	316	140	140	147	154	161
Housing Allowances	3	394	368	368	535	485	485	509	532	556
Other benefits and allowances	3	5,826	802	1,038	931	1,044	1,044	1,095	1,146	1,197
Payments in lieu of leave		-	2,009	1,921	1,244	2,190	2,190	2,297	2,403	2,511
Long service awards		325	938	1,330	810	1,407	1,407	1,476	1,544	1,613
Post-retirement benefit obligations		11,505	3,787	5,096	783	1,190	1,190	1,248	1,306	1,364
Entertainment	6	-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	276	530	352	842	842	883	923	965
In kind benefits		-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>		<b>118,479</b>	<b>117,083</b>	<b>131,233</b>	<b>146,608</b>	<b>141,251</b>	<b>141,251</b>	<b>153,397</b>	<b>160,035</b>	<b>167,214</b>
<b>% increase</b>	4		<b>(1.2%)</b>	<b>12.1%</b>	<b>11.7%</b>	<b>(3.7%)</b>	-	<b>8.6%</b>	<b>4.3%</b>	<b>4.5%</b>
<b>Total Parent Municipality</b>		<b>134,520</b>	<b>134,032</b>	<b>147,899</b>	<b>167,292</b>	<b>161,208</b>	<b>161,208</b>	<b>174,333</b>	<b>181,934</b>	<b>190,111</b>
<b>% increase</b>			<b>(0.4%)</b>	<b>10.3%</b>	<b>13.1%</b>	<b>(3.6%)</b>	-	<b>8.1%</b>	<b>4.4%</b>	<b>4.5%</b>
<b>Board Members of Entities</b>										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Board Fees	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Entertainment	6	-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits	6	-	-	-	-	-	-	-	-	-
<b>Sub Total - Board Members of Entities</b>		-	-	-	-	-	-	-	-	-
<b>% increase</b>	4		-	-	-	-	-	-	-	-
<b>Senior Managers of Entities</b>										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Entertainment	6	-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Entities</b>		-	-	-	-	-	-	-	-	-
<b>% increase</b>	4		-	-	-	-	-	-	-	-
<b>Other Staff of Entities</b>										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Entertainment	6	-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Staff of Entities</b>		-	-	-	-	-	-	-	-	-
<b>% increase</b>	4		-	-	-	-	-	-	-	-
<b>Total Municipal Entities</b>		-	-	-	-	-	-	-	-	-
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>134,520</b>	<b>134,032</b>	<b>147,899</b>	<b>167,292</b>	<b>161,208</b>	<b>161,208</b>	<b>174,333</b>	<b>181,934</b>	<b>190,111</b>
<b>% increase</b>	4		<b>(0.4%)</b>	<b>10.3%</b>	<b>13.1%</b>	<b>(3.6%)</b>	-	<b>8.1%</b>	<b>4.4%</b>	<b>4.5%</b>
<b>TOTAL MANAGERS AND STAFF</b>	5,7	<b>125,190</b>	<b>123,938</b>	<b>137,502</b>	<b>155,966</b>	<b>149,480</b>	<b>149,480</b>	<b>162,029</b>	<b>169,064</b>	<b>176,650</b>



**Table 36 MBRR SA24 – summary of personnel numbers**

KZN222 uMngeni - Supporting Table SA24 Summary of personnel numbers											
Summary of Personnel Numbers		Ref	2022/23			Current Year 2023/24			Budget Year 2024/25		
Number		1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>											
Councillors (Political Office Bearers plus Other Councillors)			25	-	25	25	-	25	25	-	-
Board Members of municipal entities	4		-	-	-	-	-	-	-	-	-
<b>Municipal employees</b>											
Municipal Manager and Senior Managers	5		-	-	-	-	-	-	-	-	-
Other Managers	3		7	-	7	7	2	4	7	6	1
Professionals	7		23	23	-	26	26	-	26	26	-
Finance			69	58	9	70	60	19	70	60	19
Spatial/town planning			61	51	5	61	51	16	61	51	16
Information Technology			4	3	2	4	4	1	4	4	1
Roads			3	3	1	4	4	1	4	4	1
Electricity			-	-	-	-	-	-	-	-	-
Water			1	1	1	1	1	1	1	1	1
Sanitation			-	-	-	-	-	-	-	-	-
Refuse			-	-	-	-	-	-	-	-	-
Other			-	-	-	-	-	-	-	-	-
Technicians			3	2	-	3	2	-	3	2	-
Finance			-	-	-	-	-	-	-	-	-
Spatial/town planning			-	-	-	-	-	-	-	-	-
Information Technology			-	-	-	-	-	-	-	-	-
Roads			3	2	-	3	2	-	3	2	-
Electricity			-	-	-	-	-	-	-	-	-
Water			-	-	-	-	-	-	-	-	-
Sanitation			-	-	-	-	-	-	-	-	-
Refuse			-	-	-	-	-	-	-	-	-
Other			-	-	-	-	-	-	-	-	-
Clerks (Clerical and administrative)			39	31	-	39	31	-	39	31	-
Service and sales workers			121	109	6	121	108	6	121	108	6
Skilled agricultural and fishery workers											
Craft and related trades			12	8	-	12	8	-	12	8	-
Plant and Machine Operators			5	4	-	5	4	-	5	4	-
Elementary Occupations			37	23	40	37	23	31	37	23	31
<b>TOTAL PERSONNEL NUMBERS</b>	9		341	258	87	345	264	85	345	268	57
<b>% increase</b>						1.2%	2.3%	(2.3%)	-	1.5%	(32.9%)
<b>Total municipal employees headcount</b>	6, 10		325	258	87	-	-	-	-	-	-
Finance personnel headcount	8, 10		-	-	-	-	-	-	-	-	-
Human Resources personnel headcount	8, 10		-	-	-	-	-	-	-	-	-

**2.9 Monthly targets for revenue, expenditure, and cash flow**

**Table 40 MBRR SA25 - Budgeted monthly revenue and expenditure**



**KZN222 uMngeni - Supporting Table SA25 Budgeted monthly revenue and expenditure**

Description	Ref	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue</b>																
<b>Exchange Revenue</b>																
Service charges - Electricity		14,460	14,460	14,460	14,460	14,460	14,460	14,460	14,460	14,460	14,460	14,460	14,460	173,524	195,368	221,565
Service charges - Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management		1,339	1,339	1,339	1,339	1,339	1,339	1,339	1,339	1,339	1,339	1,339	16,069	16,808	17,565	
Sale of Goods and Rendering of Services		528	528	528	528	528	528	528	528	528	528	528	6,335	6,626	6,925	
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		385	385	385	385	385	385	385	385	385	385	385	4,625	4,837	5,060	
Interest earned from Current and Non Current Assets		265	265	265	265	265	265	265	265	265	265	265	3,178	3,324	3,474	
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		120	120	120	120	120	120	120	120	120	120	120	1,442	1,508	1,576	
Licence and permits		327	327	327	327	327	327	327	327	327	327	327	3,922	4,102	4,287	
Operational Revenue		69	69	69	69	69	69	69	69	69	69	69	828	747	781	
<b>Non-Exchange Revenue</b>																
Property rates		22,598	22,598	22,598	22,598	22,598	22,598	22,598	22,598	22,598	22,598	22,598	271,175	283,649	296,697	
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		271	271	271	271	271	271	271	271	271	271	271	3,257	3,407	3,560	
Licences or permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		9,632	9,632	9,632	9,632	9,632	9,632	9,632	9,632	9,632	9,632	9,632	115,580	118,696	123,977	
Interest		1,196	1,196	1,196	1,196	1,196	1,196	1,196	1,196	1,196	1,196	1,196	14,348	15,008	15,698	
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		28	28	28	28	28	28	28	28	28	28	28	331	347	362	
Other Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	(30)	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>51,188</b>	<b>51,188</b>	<b>51,188</b>	<b>51,188</b>	<b>51,188</b>	<b>51,188</b>	<b>51,188</b>	<b>51,188</b>	<b>51,188</b>	<b>51,188</b>	<b>51,548</b>	<b>614,613</b>	<b>654,429</b>	<b>701,526</b>	
<b>Expenditure</b>																
Employee related costs		13,502	13,502	13,502	13,502	13,502	13,502	13,502	13,502	13,502	13,502	13,502	162,029	169,064	176,650	
Remuneration of councillors		1,025	1,025	1,025	1,025	1,025	1,025	1,025	1,025	1,025	1,025	1,025	12,303	12,869	13,461	
Bulk purchases - electricity		17,976	17,976	17,976	17,976	17,976	17,976	17,976	17,976	17,976	17,976	17,976	215,706	239,722	262,251	
Inventory consumed		688	688	688	688	688	688	688	688	688	688	688	8,251	7,427	7,769	
Debt impairment		-	-	-	-	-	-	-	-	-	-	-	10,745	11,239	11,745	
Depreciation and amortisation		4,598	4,598	4,598	4,598	4,598	4,598	4,598	4,598	4,598	4,598	4,598	6,424	59,634	67,370	
Interest		5	5	5	5	5	5	5	5	5	5	5	63	66	69	
Contracted services		6,451	6,451	6,451	6,451	6,451	6,451	6,451	6,451	6,451	6,451	6,451	77,416	81,017	85,375	
Transfers and subsidies		116	116	116	116	116	116	116	116	116	116	116	476	1,833	1,917	
Irrecoverable debts written off		90	90	90	90	90	90	90	90	90	90	90	1,080	1,130	1,182	
Operational costs		5,560	5,560	5,560	5,560	5,560	5,560	5,560	5,560	5,560	5,560	5,560	66,716	68,764	71,949	
Losses on disposal of Assets		93	93	93	93	93	93	93	93	93	93	93	1,114	1,166	1,218	
Other Losses		1,048	1,048	1,048	1,048	1,048	1,048	1,048	1,048	1,048	1,048	(11,523)	-	-	-	
<b>Total Expenditure</b>		<b>51,152</b>	<b>51,152</b>	<b>51,152</b>	<b>51,152</b>	<b>51,152</b>	<b>51,152</b>	<b>51,152</b>	<b>51,152</b>	<b>51,152</b>	<b>51,152</b>	<b>51,512</b>	<b>614,180</b>	<b>653,932</b>	<b>700,956</b>	
<b>Surplus/(Deficit)</b>		<b>36</b>	<b>36</b>	<b>36</b>	<b>36</b>	<b>36</b>	<b>36</b>	<b>36</b>	<b>36</b>	<b>36</b>	<b>36</b>	<b>36</b>	<b>433</b>	<b>497</b>	<b>570</b>	
Transfers and subsidies - capital (monetary allocations)		4,053	4,053	4,053	4,053	4,053	4,053	4,053	4,053	4,053	4,053	4,053	48,641	41,869	43,901	
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>49,074</b>	<b>42,366</b>	<b>44,471</b>	
Income Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit) after income tax</b>		<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>49,074</b>	<b>42,366</b>	<b>44,471</b>	
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit) attributable to municipality</b>		<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>49,074</b>	<b>42,366</b>	<b>44,471</b>	
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit)</b>	1	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>49,074</b>	<b>42,366</b>	<b>44,471</b>	

**Table 41 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)**

KZN222 uMngeni - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)																
Description	Ref	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue by Vote</b>																
Vote 1 - EXECUTIVE AND COUNCIL		30,795	30,795	30,795	30,795	30,795	30,795	30,795	30,795	30,795	30,795	30,795	30,795	369,538	386,711	404,266
Vote 2 - BUDGET AND TREASURY		551	551	551	551	551	551	551	551	551	551	551	551	6,614	6,936	7,362
Vote 3 - CORPORATE SERVICES		147	147	147	147	147	147	147	147	147	147	147	147	1,770	1,851	1,934
Vote 4 - Planning Services		472	472	472	472	472	472	472	472	472	472	472	472	5,663	4,093	4,277
Vote 5 - Community Services		3,374	3,374	3,374	3,374	3,374	3,374	3,374	3,374	3,374	3,374	3,374	3,374	40,488	42,159	44,034
Vote 6 - Technical Services		19,932	19,932	19,932	19,932	19,932	19,932	19,932	19,932	19,932	19,932	19,932	19,932	239,181	254,546	283,553
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>		<b>55,271</b>	<b>55,271</b>	<b>55,271</b>	<b>55,271</b>	<b>55,271</b>	<b>55,271</b>	<b>55,271</b>	<b>55,271</b>	<b>55,271</b>	<b>55,271</b>	<b>55,271</b>	<b>55,271</b>	<b>663,254</b>	<b>696,296</b>	<b>745,427</b>
<b>Expenditure by Vote to be appropriated</b>																
Vote 1 - EXECUTIVE AND COUNCIL		4,780	4,780	4,780	4,780	4,780	4,780	4,780	4,780	4,780	4,780	4,780	4,780	57,365	59,690	62,411
Vote 2 - BUDGET AND TREASURY		8,395	8,395	8,395	8,395	8,395	8,395	8,395	8,395	8,395	8,395	8,395	8,395	100,735	105,696	115,634
Vote 3 - CORPORATE SERVICES		3,712	3,712	3,712	3,712	3,712	3,712	3,712	3,712	3,712	3,712	3,712	3,712	44,544	46,593	48,713
Vote 4 - Planning Services		2,372	2,372	2,372	2,372	2,372	2,372	2,372	2,372	2,372	2,372	2,372	2,372	28,460	28,723	30,520
Vote 5 - Community Services		6,982	6,982	6,982	6,982	6,982	6,982	6,982	6,982	6,982	6,982	6,982	6,982	83,784	87,403	91,367
Vote 6 - Technical Services		24,941	24,941	24,941	24,941	24,941	24,941	24,941	24,941	24,941	24,941	24,941	24,941	299,293	325,827	352,311
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>		<b>51,182</b>	<b>51,182</b>	<b>51,182</b>	<b>51,182</b>	<b>51,182</b>	<b>51,182</b>	<b>51,182</b>	<b>51,182</b>	<b>51,182</b>	<b>51,182</b>	<b>51,182</b>	<b>51,182</b>	<b>614,180</b>	<b>653,932</b>	<b>700,956</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>49,074</b>	<b>42,366</b>	<b>44,471</b>
Surplus/(Deficit) after income tax		-	-	-	-	-	-	-	-	-	-	-	49,074	49,074	42,366	44,471
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>49,074</b>	<b>42,366</b>	<b>44,471</b>

**Table 42 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)**

KZN222 uMngeni - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)																
Description	Ref	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Revenue - Functional</b>																
<i>Governance and administration</i>		31,586	31,586	31,586	31,586	31,586	31,586	31,586	31,586	31,586	31,586	31,586	31,586	379,029	395,256	413,313
Executive and council		6,616	6,616	6,616	6,616	6,616	6,616	6,616	6,616	6,616	6,616	6,616	6,616	79,390	83,217	86,811
Finance and administration		24,970	24,970	24,970	24,970	24,970	24,970	24,970	24,970	24,970	24,970	24,970	24,970	299,638	312,041	326,501
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		759	759	759	759	759	759	759	759	759	759	759	759	9,103	9,287	9,705
Community and social services		486	486	486	486	486	486	486	486	486	486	486	486	5,833	5,866	6,130
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		273	273	273	273	273	273	273	273	273	273	273	273	3,271	3,421	3,575
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		3,618	3,618	3,618	3,618	3,618	3,618	3,618	3,618	3,618	3,618	3,618	3,618	43,418	35,723	38,179
Planning and development		469	469	469	469	469	469	469	469	469	469	469	469	5,632	4,061	4,243
Road transport		3,149	3,149	3,149	3,149	3,149	3,149	3,149	3,149	3,149	3,149	3,149	3,149	37,786	31,662	33,935
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		19,306	19,306	19,306	19,306	19,306	19,306	19,306	19,306	19,306	19,306	19,306	19,306	231,673	255,998	284,197
Energy sources		16,908	16,908	16,908	16,908	16,908	16,908	16,908	16,908	16,908	16,908	16,908	16,908	202,901	225,859	252,724
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		5	5	5	5	5	5	5	5	5	5	5	5	59	62	65
Waste management		2,393	2,393	2,393	2,393	2,393	2,393	2,393	2,393	2,393	2,393	2,393	2,393	28,713	30,077	31,408
<i>Other</i>		3	3	3	3	3	3	3	3	3	3	3	3	31	33	34
<b>Total Revenue - Functional</b>		<b>55,271</b>	<b>55,271</b>	<b>55,271</b>	<b>55,271</b>	<b>55,271</b>	<b>55,271</b>	<b>55,271</b>	<b>55,271</b>	<b>55,271</b>	<b>55,271</b>	<b>55,271</b>	<b>55,271</b>	<b>663,254</b>	<b>696,298</b>	<b>745,427</b>
<b>Expenditure - Functional</b>																
<i>Governance and administration</i>		19,052	19,052	19,052	19,052	19,052	19,052	19,052	19,052	19,052	19,052	19,052	19,052	228,629	237,762	253,705
Executive and council		3,996	3,996	3,996	3,996	3,996	3,996	3,996	3,996	3,996	3,996	3,996	3,996	47,954	50,159	52,451
Finance and administration		14,681	14,681	14,681	14,681	14,681	14,681	14,681	14,681	14,681	14,681	14,681	14,681	176,171	183,206	196,658
Internal audit		375	375	375	375	375	375	375	375	375	375	375	375	4,503	4,397	4,595
<i>Community and public safety</i>		5,399	5,399	5,399	5,399	5,399	5,399	5,399	5,399	5,399	5,399	5,399	5,399	64,788	67,534	70,601
Community and social services		1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	14,098	14,511	15,167
Sport and recreation		1,160	1,160	1,160	1,160	1,160	1,160	1,160	1,160	1,160	1,160	1,160	1,160	13,922	14,562	15,223
Public safety		2,867	2,867	2,867	2,867	2,867	2,867	2,867	2,867	2,867	2,867	2,867	2,867	34,404	35,982	37,625
Housing		197	197	197	197	197	197	197	197	197	197	197	197	2,365	2,474	2,586
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		3,901	3,901	3,901	3,901	3,901	3,901	3,901	3,901	3,901	3,901	3,901	3,901	46,812	47,989	50,197
Planning and development		2,084	2,084	2,084	2,084	2,084	2,084	2,084	2,084	2,084	2,084	2,084	2,084	25,002	25,107	26,243
Road transport		1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	1,817	21,809	22,883	23,954
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		22,738	22,738	22,738	22,738	22,738	22,738	22,738	22,738	22,738	22,738	22,738	22,738	272,860	299,505	324,761
Energy sources		20,338	20,338	20,338	20,338	20,338	20,338	20,338	20,338	20,338	20,338	20,338	20,338	244,052	269,372	293,262
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		300	300	300	300	300	300	300	300	300	300	300	300	3,606	3,772	3,942
Waste management		2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	25,202	26,361	27,558
<i>Other</i>		91	91	91	91	91	91	91	91	91	91	91	91	1,092	1,142	1,691
<b>Total Expenditure - Functional</b>		<b>51,182</b>	<b>51,182</b>	<b>51,182</b>	<b>51,182</b>	<b>51,182</b>	<b>51,182</b>	<b>51,182</b>	<b>51,182</b>	<b>51,182</b>	<b>51,182</b>	<b>51,182</b>	<b>51,182</b>	<b>614,180</b>	<b>653,932</b>	<b>700,956</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>49,074</b>	<b>42,366</b>	<b>44,471</b>
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>4,089</b>	<b>49,074</b>	<b>42,366</b>	<b>44,471</b>

**Table 43 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)**

KZN222 uMngeni - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)																
Description	Ref	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Multi-year expenditure to be appropriated</b>	1															
Vote 1 - EXECUTIVE AND COUNCIL		29	29	29	29	29	29	29	29	29	29	29	29	350	366	383
Vote 2 - BUDGET AND TREASURY		58	58	58	58	58	58	58	58	58	58	58	58	700	732	765
Vote 3 - CORPORATE SERVICES		71	71	71	71	71	71	71	71	71	71	71	71	850	366	383
Vote 4 - Planning Services		169	169	169	169	169	169	169	169	169	169	169	169	2,030	659	689
Vote 5 - Community Services		54	54	54	54	54	54	54	54	54	54	54	54	650	680	711
Vote 6 - Technical Services		2,696	2,696	2,696	2,696	2,696	2,696	2,696	2,696	2,696	2,696	2,696	2,697	32,358	34,130	44,336
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	2	3,078	3,078	3,078	3,078	3,078	3,078	3,078	3,078	3,078	3,078	3,078	3,078	36,938	36,933	47,266
<b>Single-year expenditure to be appropriated</b>																
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - BUDGET AND TREASURY		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Planning Services		145	145	145	145	145	145	145	145	145	145	145	145	1,740	-	-
Vote 5 - Community Services		166	166	166	166	166	166	166	166	166	166	166	166	1,990	837	874
Vote 6 - Technical Services		3,262	3,262	3,262	3,262	3,262	3,262	3,262	3,262	3,262	3,262	3,262	3,262	39,143	32,436	25,372
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>	2	3,573	3,573	3,573	3,573	3,573	3,573	3,573	3,573	3,573	3,573	3,573	3,573	42,873	33,271	26,246
<b>Total Capital Expenditure</b>	2	6,651	6,651	6,651	6,651	6,651	6,651	6,651	6,651	6,651	6,651	6,651	6,651	79,811	70,205	73,512

**Table 44 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)**

KZN222 uMngeni - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)																
Description	Ref	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Capital Expenditure - Functional</b>	1															
<i>Governance and administration</i>		168	168	168	168	168	168	168	168	168	168	168	53	1,900	1,464	1,530
Executive and council		21	21	21	21	21	21	21	21	21	21	21	21	250	262	273
Finance and administration		139	139	139	139	139	139	139	139	139	139	139	24	1,550	1,098	1,148
Internal audit		8	8	8	8	8	8	8	8	8	8	8	8	100	105	109
<i>Community and public safety</i>		199	199	199	199	199	199	199	199	199	199	199	2,390	1,255	1,312	
Community and social services		33	33	33	33	33	33	33	33	33	33	33	33	400	418	437
Sport and recreation		67	67	67	67	67	67	67	67	67	67	67	67	800	837	874
Public safety		99	99	99	99	99	99	99	99	99	99	99	99	1,190	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		10,992	10,992	10,992	10,992	10,992	10,992	10,992	10,992	10,992	10,992	(63,862)	57,051	48,458	51,461	
Planning and development		386	386	386	386	386	386	386	386	386	386	386	(476)	3,770	659	689
Road transport		10,606	10,606	10,606	10,606	10,606	10,606	10,606	10,606	10,606	10,606	10,606	(63,386)	53,281	47,799	50,773
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		2,940	2,940	2,940	2,940	2,940	2,940	2,940	2,940	2,940	2,940	2,940	(13,873)	18,470	19,027	19,209
Energy sources		2,744	2,744	2,744	2,744	2,744	2,744	2,744	2,744	2,744	2,744	2,744	(14,069)	16,120	16,569	16,640
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		196	196	196	196	196	196	196	196	196	196	196	196	2,350	2,458	2,589
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	2	14,299	14,299	14,299	14,299	14,299	14,299	14,299	14,299	14,299	14,299	14,299	(77,483)	79,811	70,205	73,512
<b>Funded by:</b>																
National Government		3,991	3,991	3,991	3,991	3,991	3,991	3,991	3,991	3,991	3,991	3,991	3,991	47,891	41,869	43,901
Provincial Government		63	63	63	63	63	63	63	63	63	63	63	63	750	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital		4,053	4,053	4,053	4,053	4,053	4,053	4,053	4,053	4,053	4,053	4,053	4,053	48,641	41,869	43,901
Public contributions & donations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		2,597	2,597	2,597	2,597	2,597	2,597	2,597	2,597	2,597	2,597	2,597	2,598	31,170	28,336	29,611
<b>Total Capital Funding</b>		6,651	6,651	6,651	6,651	6,651	6,651	6,651	6,651	6,651	6,651	6,651	6,651	79,811	70,205	73,512

**Table 45 MBRR SA30 - Budgeted monthly cash flow**

KZN222 uMngeni - Supporting Table SA30 Budgeted monthly cash flow																
MONTHLY CASH FLOWS	Budget Year 2024/25												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>Cash Receipts By Source</b>														1		
Property rates	20,790	20,790	20,790	20,790	20,790	20,790	20,790	20,790	20,790	20,790	20,790	20,790	20,790	249,481	266,630	278,895
Service charges - electricity revenue	16,496	16,496	16,496	16,496	16,496	16,496	16,496	16,496	16,496	16,496	16,496	16,496	16,496	197,955	222,824	252,658
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	1,524	1,524	1,524	1,524	1,524	1,524	1,524	1,524	1,524	1,524	1,524	1,524	18,287	19,128	19,989	
Rental of facilities and equipment	135	135	135	135	135	135	135	135	135	135	135	135	135	1,618	1,692	1,768
Interest earned - external investments	265	265	265	265	265	265	265	265	265	265	265	265	3,178	3,324	3,474	
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	250	250	250	250	250	250	250	250	250	250	250	250	2,996	3,202	3,346	
Licences and permits	327	327	327	327	327	327	327	327	327	327	327	327	3,922	4,102	4,287	
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational	9,632	9,632	9,632	9,632	9,632	9,632	9,632	9,632	9,632	9,632	9,632	9,632	115,580	118,696	123,977	
Other revenue	6,068	6,068	6,068	6,068	6,068	6,068	6,068	6,068	6,068	6,068	6,068	6,068	72,817	75,828	81,143	
<b>Cash Receipts by Source</b>	<b>55,486</b>	<b>55,486</b>	<b>55,486</b>	<b>55,486</b>	<b>55,486</b>	<b>55,486</b>	<b>55,486</b>	<b>55,486</b>	<b>55,486</b>	<b>55,486</b>	<b>55,486</b>	<b>55,486</b>	<b>665,834</b>	<b>715,428</b>	<b>769,537</b>	
<b>Other Cash Flows by Source</b>																
Transfers and subsidies - capital (monetary allocations)	4,053	4,053	4,053	4,053	4,053	4,053	4,053	4,053	4,053	4,053	4,053	4,053	48,641	41,869	43,901	
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets	28	28	28	28	28	28	28	28	28	28	28	28	331	347	362	
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Receipts by Source</b>	<b>59,567</b>	<b>59,567</b>	<b>59,567</b>	<b>59,567</b>	<b>59,567</b>	<b>59,567</b>	<b>59,567</b>	<b>59,567</b>	<b>59,567</b>	<b>59,567</b>	<b>59,567</b>	<b>59,567</b>	<b>714,806</b>	<b>757,643</b>	<b>813,800</b>	
<b>Cash Payments by Type</b>																
Employee related costs	(13,516)	(13,516)	(13,516)	(13,516)	(13,516)	(13,516)	(13,516)	(13,516)	(13,516)	(13,516)	(13,516)	(13,516)	(13,516)	(162,194)	(169,216)	(176,808)
Remuneration of councillors	(1,025)	(1,025)	(1,025)	(1,025)	(1,025)	(1,025)	(1,025)	(1,025)	(1,025)	(1,025)	(1,025)	(1,025)	(1,025)	(12,303)	(12,869)	(13,461)
Finance charges	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(3)	(63)	(66)	(69)
Bulk purchases - Electricity	(20,672)	(20,672)	(20,672)	(20,672)	(20,672)	(20,672)	(20,672)	(20,672)	(20,672)	(20,672)	(20,672)	(20,672)	(20,672)	(248,062)	(275,680)	(301,588)
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	(695)	(695)	(695)	(695)	(695)	(695)	(695)	(695)	(695)	(695)	(695)	(695)	(695)	(8,338)	(7,338)	(7,676)
Contracted services	(7,530)	(7,530)	(7,530)	(7,530)	(7,530)	(7,530)	(7,530)	(7,530)	(7,530)	(7,530)	(7,530)	(7,530)	(7,530)	(90,364)	(94,567)	(99,644)
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(254)	(1,392)	(1,449)	(1,509)
Other expenditure	(5,678)	(5,678)	(5,678)	(5,678)	(5,678)	(5,678)	(5,678)	(5,678)	(5,678)	(5,678)	(5,678)	(5,678)	(5,515)	(67,977)	(69,954)	(73,197)
<b>Cash Payments by Type</b>	<b>(49,226)</b>	<b>(49,226)</b>	<b>(49,226)</b>	<b>(49,226)</b>	<b>(49,226)</b>	<b>(49,226)</b>	<b>(49,226)</b>	<b>(49,226)</b>	<b>(49,226)</b>	<b>(49,226)</b>	<b>(49,226)</b>	<b>(49,209)</b>	<b>(590,694)</b>	<b>(631,140)</b>	<b>(673,953)</b>	
<b>Other Cash Flows/Payments by Type</b>																
Capital assets	-	-	-	-	-	-	-	-	-	-	-	-	(91,782)	(91,782)	(80,735)	(84,539)
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	(2,322)	(2,322)	(2,322)	(2,322)	(2,322)	(2,322)	(2,322)	(2,322)	(2,322)	(2,322)	(2,322)	(2,322)	(2,322)	(27,865)	(31,029)	(34,828)
<b>Total Cash Payments by Type</b>	<b>(51,548)</b>	<b>(51,548)</b>	<b>(51,548)</b>	<b>(51,548)</b>	<b>(51,548)</b>	<b>(51,548)</b>	<b>(51,548)</b>	<b>(51,548)</b>	<b>(51,548)</b>	<b>(51,548)</b>	<b>(51,548)</b>	<b>(51,548)</b>	<b>(143,313)</b>	<b>(170,341)</b>	<b>(192,905)</b>	<b>(199,319)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>8,019</b>	<b>8,019</b>	<b>8,019</b>	<b>8,019</b>	<b>8,019</b>	<b>8,019</b>	<b>8,019</b>	<b>8,019</b>	<b>8,019</b>	<b>8,019</b>	<b>8,019</b>	<b>(83,746)</b>	<b>4,465</b>	<b>14,738</b>	<b>20,481</b>	
Cash/cash equivalents at the month/year begin:	18,352	26,371	34,390	42,410	50,429	58,448	66,467	74,487	82,506	90,525	98,544	106,564	18,352	22,817	37,555	
Cash/cash equivalents at the month/year end:	26,371	34,390	42,410	50,429	58,448	66,467	74,487	82,506	90,525	98,544	106,564	22,817	22,817	37,555	58,036	

### 3.9 Annual budgets and Service Delivery Budget Implementation Plan – internal department

In terms of section 53(1)(c)(ii) the Mayor must take all reasonable steps to ensure that the municipality’s service delivery and budget implementation plan is approved by the mayor within 28 days after the approval of the budget.

### 2.11 Contracts having future budgetary implications

In terms of the Municipality’s Supply Chain Management Policy, the following contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

**Table 46 MBRR SA32 – List of external mechanisms**

KZN222 uMngeni - Supporting Table SA32 List of external mechanisms					
External mechanism Name of organisation	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
		Number			R thousand
Rock Powerline CC	3 years	3 years	Maintenance	01/10/2025	2,406
Rock Powerline CC	3 years	3 years	Electrification	01/10/2025	1,008
Asande Projects Consulting and Engineering (Pty) Ltd	3 years	3 years	Consulting Services (Electrical)	01/10/2025	341
Trank Trading	3 years	3 years	Emptying of Leachate Ponds	04-11-2023	4,248
Wireless4U Pty Ltd	12 months	12 months	Radio frequency	30/06/2024	155
SOLVEM CONSULTING	12 months	12 months	Annual renewal and Support	30/06/2024	2,203
Knight Security Solutions	12 months (month-month)	12 months (month-month)	Fixed Contract and Support	30/06/2024	300
AT INTELLIGENCE TECH (PTY)LTD Ta DPMS	fixed contract	fixed contract	Financial Services	30-09-2023	2,000
Valotech	12 months extended contract	12 months extended contract	Cleanup of Nottingham Road, Clean Debris Surrounding	30/06/2024	1,560
Cupid Techno Informatics (Pty) Ltd	36 months	36 months	Designing and Hosting of uMngeni Municipal Website	30/08/2024	400
TPA Consulting CC	36 Months	36 Months	Appointment of Civil Engineering Consultants (Re - adve	30/08/2024	1,000
Trafman /Magna FS	12 months	12 months	Traffic system	30/06/2024	1,000
Mills Fitchet Pty Ltd	5 years	5 years	GV and Supplementary Roll	30/06/2027	1,200
Geodebts	1 year	1 year	Credit control	30/06/2024	252
LSP Inc (VIP SAGE)	1 year	1 year	VIP System	30/06/2024	100
MTN	3 Years	3 Years	Cell Phone contracts	01/11/2024	1,980
Vodacom	3 Years	3 Years	Telephone Services and internet	01/11/2025	4,720
KONICA MINOLTA SA	36 months	36 months	Photocopy services	31/12/2023	1,773
AET Security Panel)	12months	12months	Security services	01/09/2024	5,484
Amazimzim security (panel)	12months	12months	Security services	01/09/2024	4,867
Shandu security (panel)	12months	12months	Security services	01/09/2024	6,698
Sibusisiwe Contractor	36 months	36 months	Construction	05/08/2026	61,176

## **2.10 Capital expenditure details**

The following three tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets. Table 47 MBRR SA 34a - Capital expenditure on new assets by asset class







**Table 49 MBRR SA35 - Future financial implications of the capital budget**

<b>KZN222 uMngeni - Supporting Table SA35 Future financial implications of the capital budget</b>				
Vote Description	Ref	2024/25 Medium Term Revenue & Expenditure Framework		
		Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>				
<b>Capital expenditure</b>	1			
Vote 1 - EXECUTIVE AND COUNCIL		350	366	383
Vote 2 - BUDGET AND TREASURY		700	732	765
Vote 3 - CORPORATE SERVICES		850	366	383
Vote 4 - Planning Services		3,770	659	689
Vote 5 - Community Services		2,640	1,517	1,585
Vote 6 - Technical Services		71,501	66,564	69,708
Vote 7 - [NAME OF VOTE 7]		-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-
<i>List entity summary if applicable</i>				
<b>Total Capital Expenditure</b>		<b>79,811</b>	<b>70,205</b>	<b>73,512</b>
<b>Future operational costs by vote</b>	2			
Vote 1 - EXECUTIVE AND COUNCIL		57,015	59,323	62,028
Vote 2 - BUDGET AND TREASURY		100,035	104,964	114,869
Vote 3 - CORPORATE SERVICES		43,694	46,227	48,330
Vote 4 - Planning Services		24,690	28,064	29,831
Vote 5 - Community Services		81,144	85,886	89,782
Vote 6 - Technical Services		227,793	259,263	282,603
Vote 7 - [NAME OF VOTE 7]		-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-
<i>List entity summary if applicable</i>				
<b>Total future operational costs</b>		<b>534,370</b>	<b>583,727</b>	<b>627,444</b>
<b>Future revenue by source</b>	3			
Exchange Revenue		12,765	195,368	221,565
Service charges - Electricity		173,524	195,368	221,565
Service charges - Water		-	-	-
Service charges - Waste Water Management		-	-	-
Service charges - Waste Management		16,069	16,808	17,565
Agency services		-	-	-
<i>List other revenues sources if applicable</i>				
<i>List entity summary if applicable</i>				
<b>Total future revenue</b>		<b>202,358</b>	<b>407,545</b>	<b>460,694</b>
<b>Net Financial Implications</b>		<b>411,822</b>	<b>246,387</b>	<b>240,262</b>

**Table 51 MBRR SA38 – Consolidated Detailed operational projects**

KZN222 uMngeni - Supporting Table SA38 Consolidated detailed operational projects															
Municipal Vote/Operational project	Ref	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2024/25 Medium Term Revenue & Expenditure Framework			Project information
										Audited Outcome 2022/23	Current Year 2023/24 Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27	Ward location
R thousand	4				6			5							
<b>Parent municipality:</b>															
<i>List all operational projects grouped by Municipal Vote</i>															
Administrative and Corporate Support		HIV/AIDS - Community Service	03002001_00034		No										
Administrative and Corporate Support		Covid 19 - General	03014003_00126		yes	community		29.4416° S, 30.1127° E		28	75	79	83	87	ALL WARDS
Community Halls and Facilities		Repairs and Maintenance - Halls	001002001001003_0		yes	community Facilities		29.4416° S, 30.1127° E		697	28	30	31	33	ALL WARDS
<b>Corporate Wide Strategic Planning (IDPs, LEDS, SMME and Cooperatives Capacity Building</b>			03010001_00029		yes	community		29.4416° S, 30.1127° E		1,060	1,106	1,160	1,214	ALL WARDS	
Disaster Management		Disaster Management	03014002_00027		yes	community		29.4416° S, 30.1127° E		116	550	580	608	636	ALL WARDS
Fleet Management		Repairs and Maintenance - Transport Assets	02002001010_00120		yes	community		29.4416° S, 30.1127° E		160	500	527	552	578	ALL WARDS
Human Resources		Training & Development	03020003_00078		yes	community		29.4416° S, 30.1127° E		1,659	4,000	4,212	4,418	4,626	ALL WARDS
Mayors and Council		Mayors Back to School Campaign	03006004_00037		yes	community		29.4416° S, 30.1127° E		351	750	791	828	867	ALL WARDS
<b>Mayor and Council</b>		Youth coordinating Programmes	007017002_00039		yes	community		29.4416° S, 30.1127° E		1,007	1,108	1,168	1,224	1,281	ALL WARDS
Municipal Manager, Town Secretary and Chief Executive Officer		Community Development Programmes	03007002_00044		yes	community		29.4416° S, 30.1127° E		116	485	511	535	561	ALL WARDS
Municipal Manager, Town Secretary and Chief Executive Officer		Public Participation	03023003_00073		yes	community		29.4416° S, 30.1127° E		164	340	358	376	393	ALL WARDS
<b>Municipal Manager, Town Secretary and Chief Executive Officer</b>		Functionality of ward committees	03048001_00038		yes	community		29.4416° S, 30.1127° E		1,314	2,424	2,055	2,153	2,255	ALL WARDS
Police Forces, Traffic and Street Parking Control		Repairs and Maintenance - Buildings	001003001001002_0		yes	community facilities		29.4416° S, 30.1127° E		2,777	4,333	4,566	4,786	5,011	ALL WARDS
Roads		Road marking	01001002003001_00		yes	Road Infrastructure	Roads	29.4416° S, 30.1127° E		154	400	422	442	463	ALL WARDS
Roads		Traffic Signage	PO00100100100100		yes	Road Infrastructure	Roads	29.4416° S, 30.1127° E		115	520	548	574	601	ALL WARDS
Roads		Repairs and Maintenance - Roads	PO00100100200100		yes	Road Infrastructure	Roads	29.4416° S, 30.1127° E		16,146	11,522	13,282	15,010	16,086	ALL WARDS
Sports Grounds and Stadiums		Repairs and Maintenance - Machinery and Equipment	PO00100200200100		yes	community Facilities		29.4416° S, 30.1127° E		19	130	137	144	150	ALL WARDS
Storm Water Management		Municipal Running Cost	PO002		yes	community	Roads	29.4416° S, 30.1127° E		504,906	480,559	496,888	534,487	575,525	ALL WARDS
Street Lighting and Signal Systems		Repairs and Maintenance - Electrical	PO00100100200100		yes	Electrical Infrastructure	MV Networks	29.4416° S, 30.1127° E		7,872	10,256	10,800	11,329	11,862	ALL WARDS
<b>Entity A</b>															
Water project A															
<b>Entity B</b>															
Electricity project B															
			#####	###											
<b>Entity Operational expenditure</b>															
<b>Total Operational expenditure</b>										537,601	519,060	538,090	578,773	622,263	

## 2.13 Legislation compliance status

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

1. In year reporting  
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the Municipality's website.
2. Internship programme  
The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. Since the introduction of the Internship programme the Municipality has successfully employed and trained 15 interns through this programme and a majority of them were appointed either in uMngeni Municipality or other municipalities.
3. Budget and Treasury Office  
The Budget and Treasury Office has been established in accordance with the MFMA.
4. Audit Committee  
An Audit Committee has been established and is fully functional.
5. Service Delivery and Implementation Plan  
The detail SDBIP document is at a draft stage and will be finalised after approval of the 2024/2025 MTREF in June 2024 directly aligned and informed by the 2024/25 MTREF.
6. Annual Report  
Annual report is compiled in terms of the MFMA and National Treasury requirements.
7. MFMA Training  
The MFMA training module in electronic format is presented at the Municipality's internal centre and training is ongoing.
8. Policies  
An amendment of the Municipal Property Rates Regulations as published in Government Notice 363 of 27 March 2009, was announced in Government Gazette 33016 on 12 March 2010. The ratios as prescribed in the Regulations have been complied with.

## 2.14 Other supporting documents

### Table 52 MBRR Table SA1 - Supporting detail to budgeted financial performance

KZN222 uMngeni - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'											
Description	Ref	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											
<b>REVENUE ITEMS:</b>											
<b>Non-exchange revenue by source</b>											
<b>Property rates</b>	6										
Total Property Rates		210,903	223,571	348,853	321,072	322,572	322,572	192,576	294,379	307,920	322,085
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		(8,967)	(8,123)	110,792	67,507	67,507	67,507	(25,159)	23,204	24,271	25,388
<b>Net Property Rates</b>		<b>219,869</b>	<b>231,694</b>	<b>238,062</b>	<b>253,564</b>	<b>255,064</b>	<b>255,064</b>	<b>217,736</b>	<b>271,175</b>	<b>283,649</b>	<b>296,697</b>
<b>Exchange revenue service charges</b>											
<b>Service charges - Electricity</b>	6										
Total Service charges - Electricity		84,127	93,719	95,073	157,078	159,953	159,953	93,127	174,944	196,854	223,117
less Revenue Foregone (in excess of 50 kwh per indigent household per month)		535	4	491	737	1,178	1,178	937	1,236	1,292	1,351
less Cost of Free Basic Services (50 kwh per indigent household per month)		159	176	176	176	176	176	-	185	193	202
<b>Net Service charges - Electricity</b>		<b>83,433</b>	<b>93,539</b>	<b>94,406</b>	<b>156,164</b>	<b>158,599</b>	<b>158,599</b>	<b>92,189</b>	<b>173,524</b>	<b>195,368</b>	<b>221,565</b>
<b>Service charges - Water</b>	6										
Total Service charges - Water		-	-	-	-	-	-	-	-	-	-
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-	-
less Cost of Free Basic Services (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-	-
<b>Net Service charges - Water</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Service charges - Waste Water Management</b>											
Total Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-	-
less Revenue Foregone (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-	-
less Cost of Free Basic Services (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-	-
<b>Net Service charges - Waste Water Management</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Service charges - Waste Management</b>	6										
Total refuse removal revenue		14,263	14,552	14,961	18,566	18,566	18,570	9,295	17,804	18,622	19,460
Total landfill revenue		-	-	-	-	-	-	-	-	-	-
less Revenue Foregone (in excess of one removal a week to indigent households)		6,318	5,107	3,033	7,731	4,672	4,672	(608)	1,643	1,719	1,796
less Cost of Free Basic Services (removed once a week to indigent households)		73	75	83	83	83	87	-	91	95	99
<b>Net Service charges - Waste Management</b>		<b>7,872</b>	<b>9,370</b>	<b>11,845</b>	<b>10,752</b>	<b>13,811</b>	<b>13,811</b>	<b>9,903</b>	<b>16,069</b>	<b>16,808</b>	<b>17,565</b>

**Table 52 MBRR Table SA1 - Supporting detail to budgeted financial performance (Continued)**

<b>EXPENDITURE ITEMS:</b>											
<b>Employee related costs</b>											
Basic Salaries and Wages	2	78,487	75,327	81,187	101,063	98,598	98,598	77,770	109,154	113,768	118,865
Pension and UIF Contributions		14,359	13,990	15,137	17,328	17,060	17,060	13,977	17,896	18,708	19,550
Medical Aid Contributions		5,826	5,952	6,598	8,868	7,703	7,703	6,083	8,080	8,452	8,832
Overtime		36	8,400	11,176	11,453	6,423	6,423	5,637	6,237	6,524	6,818
Performance Bonus		5,699	5,292	5,792	5,858	5,812	5,812	4,610	6,097	6,377	6,664
Motor Vehicle Allowance		5,925	6,167	7,162	6,181	6,522	6,522	5,246	6,841	7,156	7,478
Cellphone Allowance		424	394	132	408	204	204	77	214	224	234
Housing Allowances		394	388	388	535	485	485	354	509	532	556
Other benefits and allowances		6,844	802	1,039	932	1,045	1,045	1,257	1,096	1,147	1,198
Payments in lieu of leave		-	2,109	1,921	1,244	2,190	2,190	2,714	2,297	2,403	2,511
Long service awards		642	1,005	423	810	1,407	1,407	1,403	1,476	1,544	1,613
Post-retirement benefit obligations	4	6,556	3,720	6,003	783	1,190	1,190	1,154	1,248	1,306	1,364
Entertainment		-	-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	391	543	502	842	842	612	883	923	965
In kind benefits		-	-	-	-	-	-	-	-	-	-
<b>sub-total</b>	5	<b>125,190</b>	<b>123,938</b>	<b>137,502</b>	<b>155,966</b>	<b>149,480</b>	<b>149,480</b>	<b>120,894</b>	<b>162,029</b>	<b>169,064</b>	<b>176,650</b>
Less: Employees costs capitalised to PPE		-	-	-	-	-	-	-	-	-	-
<b>Total Employee related costs</b>	1	<b>125,190</b>	<b>123,938</b>	<b>137,502</b>	<b>155,966</b>	<b>149,480</b>	<b>149,480</b>	<b>120,894</b>	<b>162,029</b>	<b>169,064</b>	<b>176,650</b>
<b>Depreciation and amortisation</b>											
Depreciation of Property, Plant & Equipment		59,642	59,307	60,564	48,401	60,727	60,727	49,959	55,178	57,724	65,374
Lease amortisation		-	-	-	-	-	-	-	-	-	-
Capital asset impairment		(279)	10,930	58,904	3,038	1,741	1,741	-	1,826	1,910	1,996
<b>Total Depreciation and amortisation</b>	1	<b>59,363</b>	<b>70,238</b>	<b>119,468</b>	<b>51,439</b>	<b>62,468</b>	<b>62,468</b>	<b>49,959</b>	<b>57,005</b>	<b>59,634</b>	<b>67,370</b>
<b>Bulk purchases - electricity</b>											
Electricity Bulk Purchases		127,757	157,239	149,835	190,198	191,398	191,398	138,352	215,706	239,722	262,251
<b>Total bulk purchases</b>	1	<b>127,757</b>	<b>157,239</b>	<b>149,835</b>	<b>190,198</b>	<b>191,398</b>	<b>191,398</b>	<b>138,352</b>	<b>215,706</b>	<b>239,722</b>	<b>262,251</b>
<b>Transfers and grants</b>											
Cash transfers and grants		360	360	1,040	1,170	1,745	1,745	1,415	1,552	1,623	1,698
Non-cash transfers and grants		213	294	367	350	200	200	130	200	209	219
<b>Total transfers and grants</b>	1	<b>573</b>	<b>654</b>	<b>1,407</b>	<b>1,520</b>	<b>1,945</b>	<b>1,945</b>	<b>1,545</b>	<b>1,752</b>	<b>1,833</b>	<b>1,917</b>
<b>Contracted services</b>											
Outsourced Services		33,724	36,837	36,026	37,189	34,496	34,496	21,442	29,543	30,902	32,323
Consultants and Professional Services		20,137	21,197	18,005	15,623	15,750	15,750	7,956	16,292	17,081	18,499
Contractors		18,186	30,329	29,293	28,152	31,826	31,826	19,367	31,581	33,033	34,553
<b>sub-total</b>	1	<b>72,047</b>	<b>88,363</b>	<b>83,323</b>	<b>80,964</b>	<b>82,073</b>	<b>82,073</b>	<b>48,766</b>	<b>77,416</b>	<b>81,017</b>	<b>85,375</b>
<b>Operational Costs</b>											
Collection costs		9	-	-	-	-	-	-	-	-	-
Contributions to 'other' provisions		-	-	-	4,699	4,699	4,699	-	4,930	5,157	5,394
Audit fees		2,483	3,196	2,803	3,048	3,048	3,048	2,307	3,197	3,344	3,498
<b>Other Operational Costs</b>											
Operating Leases		1,420	2,044	3,280	5,546	3,296	3,296	2,133	3,457	3,616	3,783
Operational Cost		42,786	38,495	43,826	51,870	58,232	58,232	35,690	55,132	56,647	59,275
Statutory Payments other than Income Taxes		-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
<b>Total Operational Costs</b>	1	<b>46,698</b>	<b>43,735</b>	<b>49,910</b>	<b>65,163</b>	<b>69,275</b>	<b>69,275</b>	<b>40,130</b>	<b>66,716</b>	<b>68,764</b>	<b>71,949</b>
<b>Repairs and Maintenance by Expenditure Item</b>											
Employee related costs	8	-	-	-	-	-	-	-	-	-	-
Inventory Consumed (Project Maintenance)		82	154	341	-	875	875	356	-	-	-
Contracted Services		17,271	29,461	28,299	-	29,887	29,887	18,697	-	-	-
Other Expenditure		65	115	71	-	665	665	515	-	-	-
<b>Total Repairs and Maintenance Expenditure</b>	9	<b>17,417</b>	<b>29,730</b>	<b>28,710</b>	<b>-</b>	<b>31,427</b>	<b>31,427</b>	<b>19,568</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Inventory Consumed</b>											
Inventory Consumed - Water		-	-	-	-	-	-	-	-	-	-
Inventory Consumed - Other		-	-	-	4,722	6,092	6,092	-	7,251	6,381	6,675
<b>Total Inventory Consumed &amp; Other Material</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>4,722</b>	<b>6,092</b>	<b>6,092</b>	<b>-</b>	<b>7,251</b>	<b>6,381</b>	<b>6,675</b>

**Table 53 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)**

KZN222 uMngeni - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)																
R thousand	Vote 1 - EXECUTIVE AND COUNCIL	Vote 2 - BUDGET AND TREASURY	Vote 3 - CORPORATE SERVICES	Vote 4 - Planning Services	Vote 5 - Community Services	Vote 6 - Technical Services	Vote 7 - [NAME OF VOTE 7]	Vote 8 - [NAME OF VOTE 8]	Vote 9 - [NAME OF VOTE 9]	Vote 10 - [NAME OF VOTE 10]	Vote 11 - [NAME OF VOTE 11]	Vote 12 - [NAME OF VOTE 12]	Vote 13 - [NAME OF VOTE 13]	Vote 14 - [NAME OF VOTE 14]	Vote 15 - [NAME OF VOTE 15]	Total
<b>Revenue</b>																
<b>Exchange Revenue</b>																
Service charges - Electricity	-	-	-	-	-	173,524	-	-	-	-	-	-	-	-	-	173,524
Service charges - Water	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	-	-	-	-	16,069	-	-	-	-	-	-	-	-	-	-	16,069
Sale of Goods and Rendering of Services	-	1,080	59	3,883	264	1,049	-	-	-	-	-	-	-	-	-	6,335
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	4,625	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,625
Interest earned from Current and Non Current Assets	-	3,178	-	-	-	-	-	-	-	-	-	-	-	-	-	3,178
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent on Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	-	-	1,442	-	-	-	-	-	-	-	-	-	-	-	-	1,442
Licence and permits	-	-	-	31	3,891	-	-	-	-	-	-	-	-	-	-	3,922
Operational Revenue	334	225	268	-	-	-	-	-	-	-	-	-	-	-	-	828
<b>Non-Exchange Revenue</b>																
Property rates	271,175	-	-	-	-	-	-	-	-	-	-	-	-	-	-	271,175
Surcharges and Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	3,257	-	-	-	-	-	-	-	-	-	-	3,257
Licences or permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational	79,066	1,700	-	1,000	17,007	16,817	-	-	-	-	-	-	-	-	-	115,580
Interest	14,348	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,348
Fuel Levy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets	-	331	-	-	-	-	-	-	-	-	-	-	-	-	-	331
Other Gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>369,538</b>	<b>6,514</b>	<b>1,770</b>	<b>4,913</b>	<b>40,488</b>	<b>191,390</b>	-	-	-	-	-	-	-	-	-	<b>614,613</b>
<b>Expenditure</b>																
Employee related costs	18,123	28,088	20,914	18,771	51,332	24,801	-	-	-	-	-	-	-	-	-	162,029
Remuneration of councillors	12,303	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,303
Bulk purchases - electricity	-	-	-	-	-	215,706	-	-	-	-	-	-	-	-	-	215,706
Inventory consumed	206	48	1,778	2,148	1,821	2,250	-	-	-	-	-	-	-	-	-	8,251
Debt impairment	4,908	1,826	996	-	2,167	2,674	-	-	-	-	-	-	-	-	-	12,571
Depreciation and amortisation	-	55,178	-	-	-	-	-	-	-	-	-	-	-	-	-	55,178
Interest	-	29	14	-	-	21	-	-	-	-	-	-	-	-	-	63
Contracted services	5,418	6,122	3,652	5,208	23,989	33,025	-	-	-	-	-	-	-	-	-	77,416
Transfers and subsidies	400	-	-	792	560	-	-	-	-	-	-	-	-	-	-	1,752
Irrecoverable debts written off	-	1,080	-	-	-	-	-	-	-	-	-	-	-	-	-	1,080
Operational costs	16,007	7,249	17,190	1,540	3,914	20,816	-	-	-	-	-	-	-	-	-	66,716
Losses on disposal of Assets	-	1,114	-	-	-	-	-	-	-	-	-	-	-	-	-	1,114
Other Losses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>57,365</b>	<b>100,735</b>	<b>44,544</b>	<b>28,460</b>	<b>83,784</b>	<b>299,293</b>	-	-	-	-	-	-	-	-	-	<b>614,180</b>
<b>Surplus/(Deficit)</b>	<b>312,173</b>	<b>(94,220)</b>	<b>(42,774)</b>	<b>(23,546)</b>	<b>(43,296)</b>	<b>(107,903)</b>	-	-	-	-	-	-	-	-	-	<b>433</b>
Transfers and subsidies - capital (monetary allocations)	-	100	-	750	-	47,791	-	-	-	-	-	-	-	-	-	48,641
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Income Tax</b>	<b>312,173</b>	<b>(94,120)</b>	<b>(42,774)</b>	<b>(22,796)</b>	<b>(43,296)</b>	<b>(60,113)</b>	-	-	-	-	-	-	-	-	-	<b>49,074</b>



Table 54 MBRR Table SA3 – Supporting detail to Statement of Financial Position

KZN222 uMngeni - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'											
Description	Ref	Audited Outcomes	Audited Outcomes	Audited Outcomes	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>											
<b>ASSETS</b>											
<b>Trade and other receivables from exchange transactions</b>											
Electricity			36,663	29,760	47,215	41,093	41,093	33,708	44,614	57,591	72,394
Water			11,046	13,591	11,640	16,247	16,247	17,166	18,061	20,597	23,251
Waste Water			5,999	5,236	4,292	5,306	5,306	5,233	5,321	5,468	5,922
Other trade receivables from exchange transactions			54,768	48,587	63,147	62,646	62,646	67,896	67,896	83,697	101,997
<b>Less: Impairment for debt</b>			(35,678)	(31,618)	(38,451)	(36,495)	(36,495)	(31,618)	(41,511)	(46,962)	(52,554)
Impairment for Electricity			(23,504)	(18,272)	(25,013)	(20,821)	(20,821)	(18,272)	(23,494)	(28,291)	(29,213)
Impairment for Water			(8,311)	(9,410)	(9,364)	(10,789)	(10,789)	(9,410)	(12,236)	(13,748)	(15,328)
Impairment for Waste Water			(3,853)	(3,936)	(4,084)	(4,885)	(4,885)	(3,936)	(5,881)	(6,923)	(8,012)
<b>Total net Trade and other receivables from Exchange Trx</b>			19,032	16,969	24,686	26,151	26,151	24,988	26,382	26,698	28,713
<b>Receivables from non-exchange transactions</b>											
Property rates			190,706	(8,047)	234,379	214,191	214,191	197,477	250,232	273,065	304,461
Less: Impairment of Property rates			(145,081)	(5,162)	(145,818)	(154,921)	(154,921)	(150,243)	(169,820)	(184,962)	(170,308)
<b>Net Property rates</b>			45,625	(13,209)	88,561	59,270	59,270	47,234	90,404	109,062	134,153
Other receivables from non-exchange transactions			19,845	20,744	17,608	21,032	21,032	22,308	21,286	21,460	21,900
Impairment for other receivables from non-exchange transactions			(17,238)	(18,763)	(16,699)	(19,450)	(19,450)	(18,763)	(20,172)	(20,928)	(21,714)
<b>Net other receivables from non-exchange transactions</b>			2,607	1,981	910	1,582	1,582	3,545	1,114	594	(29)
<b>Total net Receivables from non-exchange transactions</b>			48,232	(11,228)	88,471	60,851	60,851	50,778	91,518	109,526	134,110
<b>Inventory</b>											
<b>Water</b>											
Opening Balance											
System Input Volume											
Water Treatment Works											
Bulk Purchases											
Natural Sources											
Authorised Consumption	6										
Billed Authorised Consumption											
Billed Metered Consumption											
Free Basic Water											
Subsidised Water											
Revenue Water											
Billed Unmetered Consumption											
Free Basic Water											
Subsidised Water											
Revenue Water											
Unbilled Authorised Consumption											
Unbilled Metered Consumption											
Unbilled Unmetered Consumption											
<b>Water Losses</b>											
Apparent losses											
Unauthorised Consumption											
Customer Meter Inaccuracies											
Real losses											
Leakage on Transmission and Distribution Mains											
Leakage and Overflows at Storage Tanks/Reservoirs											
Leakage on Service Connections up to the point of Customer M											
Data Transfer and Management Errors											
Unavoidable Annual Real Losses											
<b>Non-revenue Water</b>											
Closing Balance Water											
<b>Agricultural</b>											
Opening Balance											
Acquisitions	7										
Issues	8										
Adjustments	9										
Write-offs											
<b>Closing balance - Agricultural</b>											
<b>Consumables</b>											
<b>Standard Rated</b>											
Opening Balance										(6)	(12)
Acquisitions	7				840	1,289	1,289		1,352	1,414	1,473
Issues	8				(840)	(1,259)	(1,259)		(1,358)	(1,420)	(1,486)
Adjustments	9										
Write-offs											
<b>Closing balance - Consumables Standard Rated</b>						30	30		(6)	(12)	(19)
<b>Zero Rated</b>											
Opening Balance											
Acquisitions	7										
Issues	8										
Adjustments	9										
Write-offs											
<b>Closing balance - Consumables Zero Rated</b>											
<b>Finished Goods</b>											
Opening Balance											
Acquisitions	7										
Issues	8										
Adjustments	9										
Write-offs											
<b>Closing balance - Finished Goods</b>											
<b>Materials and Supplies</b>											
Opening Balance											
Acquisitions	7				3,882	4,803	4,803		5,893	4,961	5,189
Issues	8				(3,882)	(4,833)	(4,833)		(6,000)	(4,961)	(5,189)
Adjustments	9										
Write-offs											
<b>Closing balance - Materials and Supplies</b>						(30)	(30)				
<b>Work-in-progress</b>											
Opening Balance											
Materials											
Transfers											
<b>Closing balance - Work-in-progress</b>											
<b>Housing Stock</b>											
Opening Balance											
Acquisitions											
Transfers											
Sales											
<b>Closing balance - Housing Stock</b>											
<b>Land</b>											
Opening Balance											
Acquisitions											
Sales											
Adjustments											
Correction of Prior period errors											
Transfers											
<b>Closing Balance - Land</b>											
<b>Closing Balance - Inventory &amp; Consumables</b>									(6)	(12)	(19)
<b>Property, plant and equipment (PPE)</b>											
PPE at cost/valuation (excl. finance leases)		1,469,681	1,497,193	1,490,646	1,605,384	1,582,533	1,582,533	1,543,657	1,657,018	1,715,826	1,787,310
Leases recognised as PPE	3	(394,126)	(450,978)	(507,960)	(529,778)	(568,333)	(568,333)	(556,347)	(623,140)	(674,263)	(732,765)
<b>Less: Accumulated depreciation</b>											
<b>Total Property, plant and equipment (PPE)</b>	2	1,075,554	1,046,215	982,687	1,075,606	1,014,200	1,014,200	987,310	1,033,877	1,041,563	1,054,545
<b>LIABILITIES - Financial liabilities</b>											
<b>Current liabilities - Financial liabilities</b>											
Short term loans (other than bank overdraft)											
Current portion of long term liabilities		4,181	3,467	478	2,275	478	478	0	478	478	478
<b>Total Current liabilities - Financial liabilities</b>		4,181	3,467	478	2,275	478	478	0	478	478	478
<b>Trade and other payables</b>											
Trade and other payables from exchange transactions		55,448	54,117	49,185	52,306	70,828	70,828	32,330	70,656	66,317	60,008
Other trade payables from exchange transactions		2,016	1,060	624	1,819	0	0	24,007			
Trade payables from Non-exchange transactions: Unspent conditions		2,710			(939)	(646)	(646)		150	157	164
Trade payables from Non-exchange transactions: Other			(1,150)	(521)	7,456	1,298	1,298	919	3,103	5,597	8,458
VAT											
<b>Total Trade and other payables</b>	2	60,174	54,027	49,288	60,712	71,480	71,480	57,255	73,908	74,071	68,630
<b>Non current liabilities - Financial liabilities</b>											
Borrowing	4	9,662	7,836	(0)				(0)			
Other financial liabilities											
<b>Total Non current liabilities - Financial liabilities</b>		9,662	7,836	(0)				(0)			
<b>Non current liabilities - Long Term portion of trade payables</b>											
Electricity Bulk Purchases											
Payables and Accruals - General											
Water Bulk Purchases											
Municipal Debt Relief											
<b>Provisions</b>											
Retirement benefits											
Liab other major provision items											
Refuse landfill site rehabilitation		62,587	74,584	78,347	56,227	78,347	78,347	78,347	78,347	78,347	78,347
Other		6,484	5,915	7,968							

**Table 55 MBRR Table SA9 – Social, economic and demographic statistics and assumptions**

KZN222 uMngeni - Supporting Table SA9 Social, economic and demographic statistics and assumptions												
Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2019/20	2020/21	2021/22	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework		
						Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Demographics</b>												
Population		Stats SA community survey	-	-	-	118	118	118	118	118	118	118
Females aged 5 - 14		Stats SA community survey	-	-	-	24	24	24	24	24	24	24
Males aged 5 - 14		Stats SA community survey	-	-	-	22	22	22	22	22	22	22
Females aged 15 - 34		Stats SA community survey	-	-	-	24	24	24	24	24	24	24
Males aged 15 - 34		Stats SA community survey	-	-	-	22	22	22	22	22	22	22
Unemployment		Stats SA community survey	-	-	-	19	19	19	19	19	19	19
<b>Monthly household income (no. of households)</b>												
No income	1, 12	Stats SA community survey	-	-	-	5	5	5	5	5	5	5
R1 - R1 600		Stats SA community survey	-	-	-	1	1	1	1	1	1	1
R1 601 - R3 200		Stats SA community survey	-	-	-	-	-	-	-	-	-	-
R3 201 - R6 400		Stats SA community survey	-	-	-	-	-	-	-	-	-	-
R6 401 - R12 800		Stats SA community survey	-	-	-	-	-	-	-	-	-	-
R12 801 - R26 600		Stats SA community survey	-	-	-	8	8	8	8	8	8	8
R26 601 - R51 200		Stats SA community survey	-	-	-	-	-	-	-	-	-	-
R52 201 - R102 400		Stats SA community survey	-	-	-	-	-	-	-	-	-	-
R102 401 - R204 800		Stats SA community survey	-	-	-	1	1	1	1	1	1	1
R204 801 - R409 600		Stats SA community survey	-	-	-	0	0	0	0	0	0	0
R409 601 - R819 200		Stats SA community survey	-	-	-	-	-	-	-	-	-	-
> R819 200		Stats SA community survey	-	-	-	-	-	-	-	-	-	-
<b>Poverty profiles (no. of households)</b>												
< R2 060 per household per month	13		-	-	-	-	-	-	-	-	-	-
	2		-	-	-	18,956	18,956	18,956	18,956	18,956	18,956	18,956
<b>Household/demographics (000)</b>												
Number of people in municipal area		Stats SA community survey	-	-	-	118	118	118	118	118	118	118
Number of poor people in municipal area		Stats SA community survey	-	-	-	19	19	19	19	19	19	19
Number of households in municipal area		Stats SA community survey	-	-	-	30	30	30	30	30	30	30
Number of poor households in municipal area		Stats SA community survey	-	-	-	-	-	-	-	-	-	-
Definition of poor household (R per month)		Stats SA community survey	-	-	-	3,000	3,120	3,240	3,360	3,360	3,360	3,360
<b>Housing statistics</b>												
Formal	3		-	-	-	11,303	11,303	11,303	11,303	11,303	11,303	11,303
Informal	0		-	-	-	18,316	18,316	18,316	18,316	18,316	18,316	18,316
<b>Total number of households</b>			-	-	-	29,619	29,619	29,619	29,619	29,619	29,619	29,619
Dwellings provided by municipality	4		-	-	-	-	-	-	-	-	-	-
Dwellings provided by province/s	0		-	-	-	-	-	-	-	-	-	-
Dwellings provided by private sector	5		-	-	-	-	-	-	-	-	-	-
<b>Total new housing dwellings</b>			-	-	-	-	-	-	-	-	-	-
<b>Economic</b>												
Inflation/inflation outlook (CPIX)	6					0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest rate - borrowing						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest rate - investment						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Remuneration increases						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Consumption growth (electricity)						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Consumption growth (water)						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Collection rates</b>												
Property tax/service charges	7					0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Rental of facilities & equipment						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest - external investments						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest - debtors						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Revenue from agency services						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%



**MUNICIPAL NOTICE NO. \_\_\_\_\_**

**FINAL TARIFFS: 2024 / 2025 FINANCIAL YEAR**

Notice is hereby given in terms of Section 75A (3) (b) of the Local Government: Municipal Systems Act (Act 32 of 2000), that uMngeni Municipal Council by Resolution taken on the \_\_\_\_\_ resolved to amend the following tariffs as indicated:

**1. Refuse Removal Tariffs**

- (a) Domestic Consumers Free up to a total market value per property of R130 000.  
Consumers/Ratepayers with property values over R130 000 will have a monthly charge of R 115
- (b) Commercial Consumers R217 per 120ℓ bin per month  
(One collection per week)
- (c) Government Institutions R186.66 per bin 120ℓ per month  
(One collection per week)
- (d) Sectional title complexes that collect and transport domestic refuse to the landfill site for disposal must make an application in writing to the Municipal Manager to qualify for reduced refuse removal tariffs subject to all necessary criteria being met.

**The above tariff excludes VAT.**

**2. Electricity Tariffs**

**DOMESTIC TARIFFS**

**1. Domestic High: Prepaid**

Tariff Blocks	Current	Proposed
	c/kWh	c/kWh
Block 1 – (0-50 kWh)	155.556	178.889
Block 2 – ( 51-350kWh)	200.06	230.006
Block 3 – ( 351– 600kWh)	270.649	310.50

Block 4 – (>600 kWh)	318.889	366.722
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## 2. Domestic Low indigent: Prepaid

Tariff Blocks	Current	Proposed
	c/kWh	c/kWh
BLOCK 1 – (0-50 kWh)	155.556	178.889
Block 2 – ( 51-350kWh)	200.006	230.006
Block 3 – ( 351–600kWh)	270.206	310.736

## 3. Domestic High: Conventional 60A

Tariff Blocks	Current	Proposed
	c/kWh	c/kWh
Block 1 – ( 0 - 50 kWh)	155.684	178.889
Block 2 – ( 51 – 350 kWh)	195.164	230.006
Block 3 – ( 351 -600 kWh)	265.616	310.50
Block 4 – (> 600 kWh)	320.830	366.722
<b>Basic Charge</b>	<b>245.602</b>	<b>282.442</b>

## 4. Domestic High: Conventional Single Phase 80A

Tariff Blocks	Current	Proposed
	c/kWh	c/kWh
Block 1 – ( 0 - 50 kWh)	155.556	178.889
Block 2 – ( 51 – 350 kWh)	200.00	230.006
Block 3 – ( 351 -600 kWh)	244.724	323.704
Block 4 – (> 600 kWh)	331.468	381.188
<b>Basic Charge</b>	<b>300.00</b>	<b>345.00</b>

## 5. Domestic High: Conventional Three Phase 80A

Tariff Blocks	Current	Proposed
	c/kWh	c/kWh
Block 1 – ( 0 - 50 kWh)	155.556	178.889
Block 2 – ( 51 – 350 kWh)	200.00	230.006
Block 3 – ( 351 -600 kWh)	281.482	323.704
Block 4 – (> 600 kWh)	331.468	381.188
<b>Basic Charge</b>	<b>596.376</b>	<b>685.832</b>

## COMMERCIAL TARIFFS

### 1. Commercial Prepaid (Single Phase)

Tariff Charge	Current	Proposed
	c/kWh	c/kWh
Energy	333.329	383.328

### 2. Commercial Conventional: Business & General (Single Phase)

Tariff Charge	Current	Proposed
	c/kWh	c/kWh
Energy	267.090	307.154
<b>Basic Charge</b>	<b>589.546</b>	<b>677.977</b>

### 3. Commercial Conventional: Business & General (Three Phase)

Tariff Charge	Current	Proposed
	c/kWh	c/kWh
Energy	267.090	307.154
<b>AMP Charge</b>	<b>45.516</b>	<b>52.34</b>

### 4. Industrial Low (Large Power Users)

Seasonal Industrial Low 400 KV (kVA > 100)	Current	Proposed
	R/month	R/month
Basic Charge	3402.44	3912.80 <del>76</del>

**Demand Charge Low Season**

Tariff Charge	Current	Proposed
	R/kVA/month	R/kVA/month
Notified demand	229.69	229.652
Actual Demand	22.371	25.281

**Demand Charge High Season**

Tariff Charge	Current	Proposed
	R/kVA/month	R/kVA/month
Notified demand	304.852	350.579
Actual Demand	24.164	27.789

**Energy Charge**

Tariff Charge	Current	Proposed
	c/kWh	c/kWh
Low Season	171.818	149.381
High Season	222.852	256.279

**5. Industrial High (Large Power Users)**

Seasonal Industrial High 11 KV (kVA > 100)	Current	Proposed
	R/month	R/month
Basic Charge	3402.441	3912.807

**Demand Charge Low Season**

Tariff Charge	Current	Proposed
	R/kVA/month	R/kVA/month

Notified demand	229.648	264.095
Actual Demand	22.279	25.620

**Demand Charge High Season**

Tariff Charge	Current	Proposed
	R/kVA/month	R/kVA/month
Notified demand	304.854	350.582
Actual Demand	24.165	24.339

**Energy Charge**

Tariff Charge	Current	Proposed
	c/kWh	c/kWh
Low Season	171.821	197.594
High Season	222.852	256.279

***Final Electricity tariffs still to be approved by NERSA***

**3. Deposits**

(a) Domestic Consumers:

Electricity R 2 614.81

(b) All Other Consumers:

Electricity: Minimum deposit of R 9 230.07 but will be based on 3 months of average consumption.

(c) The municipality doesn't accept Bank Guarantee cheques but only accepts cash payments at the municipal offices or payments made via electronic funds transfer and easy pay into the municipal bank account.

**4. Final Meter Reading Fees**

(a) Domestic Consumers: R251.79 per reading on request

(b) All Other Consumers: R513.45 per reading

**5. Testing of Meters**

(a) Domestic meters: R2 064.26 per meter

(b) Commercial meters: R3 243.82 per meter

The above fees are refundable if the meter found faulty.

**The above tariff excludes VAT.**

## **ELECTRICITY - STANDARD CONNECTIONS**

Electricity: (Conventional & Prepaid)	R10 399.70 per connection.
Electricity: (Conversion to Pre-paid)	R 0.00 per connection
Electricity: (Conventional & Prepaid)	R3 790.00 to R3 980.00 per connection
Domestic Circuit Breaker upgrades	R1 999.30 per change

Any other Circuit Breaker upgrades are at cost plus 10 %

The above figures are subject to quotation from the Engineering department after all assessments are made in the property.

## **ELECTRICITY - OTHER CONNECTIONS**

All other electricity connections, beyond the above standard connection are at cost + 20%.

Conversion from conventional to prepaid above 20 amps is at cost + 20%.

All new electricity connections are made to the boundary of the property and not the dwelling, depending on the technical considerations.

**The above tariff excludes Vat.**

### **8. Disconnection/Reconnection**

Electricity: Disconnection/Reconnection fee

Soft disconnection (outstanding for more than 30 days)	R 644.41
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#### **Tamper Fees**

1 <sup>st</sup> Offence (Residential)	R 4 165.32
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1 <sup>st</sup> offence (non-residential)	R 11 450.05
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2 <sup>nd</sup> Offence	Prosecution/hard disconnection
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To all customers who reconnected themselves a temper fee will not apply however a straight hard disconnection will be implemented

**The above tariff excludes VAT.**

### **9. Library Membership Fees**

Adults	R162.47 per annum
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Children (under 18)	R102.41 per annum
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**The above tariff excludes Vat.**

### **10. Clearance Certificates and Property Valuation Certificates & Objections**

(a) Issuing of Clearance Certificates Manual	R693.99 per certificate.
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Issuing of Clearance Certificates Electronic R505.17 per certificate

Issuing of Property Valuation Certificates R 176.31 per certificate

N/B: only one extension per rate clearance certificate permitted for both manual and electronic

(b) Lodging of Objections: R430.20 per objection for Residential and Non-Residential Properties

R860.40 per objection for Agricultural Properties

Refundable if the objection is upheld

(c) Lodging of Appeals: R1075.51 per appeal for all properties. Refundable if the appeal is upheld by the

Valuations Appeals Board

**The above tariff excludes Vat.**

## **11. Building Plan Fees**

Minor Works and Internal R313.65

Alterations not affecting the floor area.

New Buildings, erection or additions:

(a) For first 20m<sup>2</sup> R202.67

(b) For 21m<sup>2</sup> - 50<sup>2</sup> R337.78

(c) For 51m<sup>2</sup> - 90m<sup>2</sup> R399.86

(d) For 91m<sup>2</sup> and above. R1896.21 per 10m<sup>2</sup>

or part thereof save for a 50% reduction on bone fide

farming structures utilized for farming purposes in

excess 91m<sup>2</sup>.

(e) Approval in principle 30% of Building Plan Fee.

(f) Swimming Pools R460.83

(g) Drainage charge R460.83

(h) Petrol, Diesel & Gas R383.19

(i) Temporary Buildings R264.90 for each 50m<sup>2</sup> or part thereof.

(j) Pre-cast Concrete Boundary walls not adjacent to a road boundary but exceeding 1,8 meters in height shall require the submission of an application with sketch plan. R 310.03

(k) Pre-cast Concrete Boundary walls 1/2% of the Value of the R225.59

adjacent to a road exceeding fence – Minimum

1,5 meters in height are subject to the submission of application forms and building plans.

(l) Hoarding Fees:  
Deposit per frontage of 10m<sup>2</sup> or

	part thereof	R4262.04
	Rental per frontage of 10m <sup>2</sup> or	
	part thereof	R199.05
(m)	Encroachments	
	Balconies not used for living purposes or business purposes	R 145.00 per 10m <sup>2</sup> or part thereof.
	Balconies 75% enclosed and attached to business premises and not used or	
	part thereof	R349.84 per 10m <sup>2</sup>
	For business purposes.	
	Balconies used for licensed business purposes or part thereof.	R1513.97 per 10m <sup>2</sup>
	Verandah's	R 148.38 per annum
	Servitudes and Reserves	R188.25 per annum per 10m or part thereof.

## **12. Town Planning Fees**

	(a) Issuing of Zoning Certificate	R160.00
	(b) Subdivision	
	- (1-5 Subs)	R9 000.00
	- (6-10 Subs)	R10 800.00
	- (Above 10 Subs)	R12 300.00
	(c) consolidation	
	- (1-5 Subs)	R9 000.00
	- (6-10 Subs)	R10 800.00
	- (Above 10 Subs)	R12 300.00
	-Rezoning and Consent Residential Only Detached (5 & 4)	R2100.00
	(d) Special Consent	R6 900.00
	(e) Rezoning	
	- less than 1 ha	R6 900.00
	- 1 ha but less than 5 ha	R7 900.00
	- 5 ha but less than 10 ha	R9 100.00
	- 10 ha and above	R11 100.00
	(f) Extension of Scheme	R7 000.00

Development outside Scheme	
- 1 ha to 5 ha	R7 900.00
- 6 ha to 10 ha	R9 100.00
- 10 ha and above	R11 100.00
(g) Alteration, Suspension and Removal of restrictive	
Conditions of title or conditions of establishment	R6 800.00
(h) Closure of Roads/Open Spaces	R7 600.00
(i) Amend, Phasing, or Cancellation of layouts	R7 100.00
(j) Extension of scheme	R7 100.00
(k) Appeal	R5 000.00
(l) Combined application	
- Rezoning / subdivisions/ Consolidation/ concerned	R13 300.00
(m) Enforcement	
(h) Other Fines:	
- Fines as per section 87 and 89 of uMngeni Special	
Planning and land use Management bylaws	As per court order
- Section 89 Civil Penalties	10 – 100% of value of illegal building Construction etc.
(n) Application for relaxation	R 1886.40
(o) Special Consent Additional Dwelling	R 2100.00

**The above tariff excludes Vat.**

**13. Photocopies/Plotting Charges:**

Copies made by scholars	R 1.32
A4 Photocopy per page	R 2.05
A3 Photocopy per page	R 3.32
A1 G.I.S. print per page	R 6.97
A4 Plotting costs	R 15.41
A3 Plotting costs	R 50.35
A2 Plotting costs	R 76.17
A1 Plotting costs	R 135.22
A0 Plotting costs	R 275.29

AO+Plotting costs	R 295.38
CD Plotting costs	R 111.90
Digital Copies	R 64.23

Wide format Photocopying/plotting Charges

A0 size	R53.52
A1 size	R39.37
A2 size	R22.12
A3 size	R4.21
CD Plotting	R88.40

**The above tariff excludes Vat**

**14. Landfill Site Tariffs**

1. The tariff for the disposal of refuse at the Curry's Post Landfill Site;-

#	Description	Unit or part thereof	Rate (R)
01	General Domestic Refuse (other than Garden refuse or Builders rubble	250kg	115.50
02	Mixed Refuse (solid mixed with garden and or builders rubble	250kg	110.50
03	Industrial sludges, subject to agreement and approval by the Landfill Manager	250kg	313.56
04	Builders Rubble	250kg	24.50
05	Bulk food waste or condemned food and other disposal that requires immediate burial and covering	250kg	330.50
06	Garden Refuse	250kg	31.50
07	Very light material – Polystyrene, etc	20kg	90.60
08	Light items – insulations, foam, etc.	40kg	90.60
09	Sawdust and other general powder material	250kg	145.50
10	Treated sensitive waste – subject to agreement and approval by the Landfill Manager	20kg	59.50
11	Excavated materials suitable for cover	250kg	Free
12	Voluntary weighing of vehicle	Vehicle	95.80

(As from 1 July 2024)

**The above tariffs exclude Vat**

The tariffs are to be reviewed by the uMngeni Municipality at any time

The determination of waste categories is at a discretion of the weighbridge operators. If there is any doubt, the waste load will be charged under category no. 02

Account customers are to clear their debt within 30 days from the date of the tax invoice. If the account is not settled timeously, uMngeni Municipality may withdraw the credit facility.

Waste category no. 01, 02, 04 and 06, loads up to 100kgs are accepted for free

Account matters should be referred to Mbo Zungu at [Mbo.Zungu@umngeni.gov.za](mailto:Mbo.Zungu@umngeni.gov.za) or

Operations related matters should be referred to Makhosi Mangwe at [Makhosi.Mangwe@umngeni.gov.za](mailto:Makhosi.Mangwe@umngeni.gov.za) or 083 453 7933

**Building Plans & Signs Tariffs**

Commercial Posters	Amount
1 x Stickers	R32.41 per post +R65.99 admin fee
13 x Stickers	R18.53 per post +R65.99 admin fee
10 x stickers	R18.53 per post +R65.99 admin fee
Awareness Posters	
Up to 1 x Posters	R16.27 +R65.99 admin fee
Route Markers x1	R16.27 +R65.99 admin fee
Election Posters x1	
NPO bodies with no Commercial Content/ logo & Subject to the submission of the NPO Certificate.	R15.63 for x1 poster
Flags & Banners – Special Events	R219.84 per banner +R198.53 admin fee
Advertising Trailer	R16 597.95 per annum
Trailer Daily rate	R1448.12
Estate Agents Pointer Boards	R16 597.95 pa +R198.53 admin fee
<b>Details</b>	<b>Tariff fees</b>
<b>Onsite Advertising</b>	
Less than 2m <sup>2</sup>	R204.47
No illuminated	R58.94 per m <sup>2</sup>

<b>SERVICE STATION &amp; RETAIL SHOPS</b>	
Petrol station	R2281.51 per annum +R66.18 admin fee
Banners for advertising	R89 per banner +R39.69 admin fee

**15. Hall Hire Charges:**

**HOWICK WEST HALL**

1. Profit-making / commercial functions such as Banquet, Theatre and the likes:

	TARIFFS
(a) MAIN HALL Charge per hour session:	R 277
Deposit:	R 1389
TOTAL	R

	TARIFFS
(b) Side Hall Charge per hour session:	R 277
Deposit:	R 1206
TOTAL	R

	TARIFFS
© Main and Side Hall Charge per hour session:	R 277
Deposit:	R 1389
TOTAL:	R

2. For activities relating to Elections:

	TARIFFS
(a) Main Hall Charge per hour session:	R 277
Deposit:	R 3380
TOTAL:	R

	TARIFFS
(b) Side Hall Charge per hour session:	R 277
Deposit:	R 2550
TOTAL	R
	TARIFFS
(c) Main and Side Hall Charge per 5 hour session:	R277
Deposit:	R3380
TOTAL:	R

3. Fundraising, sporting, religious, political and cultural, and education functions:  
Preparation Time R580 per session

	TARIFFS
(a) Main Hall Charge per hour session:	R 277
Deposit:	R 1770
TOTAL:	R

	TARIFFS
(b) Side Hall	R 277

Charge per hour session:	
Deposit:	R1110
TOTAL:	R

	TARIFFS
(c) Main and Side Hall Charge per hour session:	R 277
Deposit:	R 2550
TOTAL:	R

4. Social functions such as Weddings, Receptions, artist, Parties, Choir performance and the likes: Preparation Time R610 per session, for artist a deposit of R 5000.00 shall be paid.

	TARIFFS
(a) Main Hall Charge per hour session:	R 277
Deposit:	R 2550
TOTAL:	R

	TARIFFS
(b) Side Hall Charge per hour session:	R 277
Deposit:	R 2550
TOTAL	R

	TARIFFS
(c) Main and Side Hall Charge per hour session:	R 277
Deposit:	R 2820



TOTAL:	R
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#### HILTON HALL

1. Profit-making / commercial functions such as Banquets, Theatre and the likes:  
Preparation time R390 per session

	TARIFFS
(a) Main Hall Charge per hour session:	R 277
Deposit:	R 2820
TOTAL:	R

	TARIFFS
(b) Verandah only Charge per hour session:	R 277
Deposit:	R 2820
TOTAL	R

	TARIFFS
(c) Main Hall and Verandah Charge per hour session	R 277
Deposit:	R 2820
TOTAL:	R

2. For activities relating to Elections:

	TARIFFS
(a) Main Hall Charge per hour session:	R 277 R 2550
Deposit:	

TOTAL:	R
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	TARIFFS
(a) Verandah only Charge per hour session:	R277
Deposit:	R 2820
TOTAL:	R

	TARIFFS
© Main Hall and Verandah Charge per hour session:	R 277
Deposit:	R 3820
TOTAL:	R

3. Fundraising, sporting, religious, political and cultural, and education functions:  
Preparation time R500 per session

	TARIFFS
(a) Main Hall Charge per hour session:	R277
Deposit:	R1050
TOTAL:	R

	TARIFFS
(b) Verandah only Charge per hour session:	R277
Deposit:	R1050
TOTAL:	R

5R%	%%RRR\$5zza4r5%
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%%%	F%%
%	F
TOTAL:r	R

4. Social functions such as Weddings, Receptions, Parties, Choir Performances and the likes:  
Preparation time R 340 per session

	TARIFFS
(a) Main Hall Charge per hour session:	R 277
Deposit:	R 2550
TOTAL:	R

	TARIFFS
(b) Verandah only Charge per hour session:	R 277
Deposit:	R 2550
TOTAL:	R

	TARIFFS
(c) Main Hall and Verandah Charge per 5 hour session:	R 277
Deposit:	R 2550
TOTAL:	R

**MPOPHOMENI HALL, ELIJAH HALL, MULTIPURPOSE AND YOUTH THEATRE**

1. Profit-making / commercial functions such as Banquets, Theatre and the likes:

	TARIFFS
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(a) Main Hall Charge per 1 hour session:	R 277
Deposit:	R 1940
TOTAL:	R

2. For activities relating to elections:

	TARIFFS
(a) Main Hall Charge per 5 hour session:	R 277
Deposit:	R 1940
TOTAL:	R

3. Fundraising, sporting, religious, political and cultural, and educational functions:

	TARIFFS
(a) Main Hall Charge per 5 hour session:	R 277
Deposit:	R 1940
TOTAL:	R

4. Social functions such as Weddings, Receptions, Parties, Choir Performances and the likes:  
Preparation time R300 per session

	TARIFFS
(a) Main Hall Charge per 5 hour session:	R 277
Deposit:	R 1940
TOTAL:	R

HOWICK SOUTH HALL AND EMANDLENI HALL

1. Profit-making / commercial functions such as Banquets, Theatre and the likes:

	TARIFFS
(b) Main Hall Charge per 5 hour session:	R 277
Deposit:	R1110
TOTAL:	R

2. For activities relating to Elections:

Preparation time R136 per session

	PROPOSED TARIFFS
(a) Main Hall Charge per 5 hour session:	R 277
Deposit:	R 1000
TOTAL:	R

3. Fundraising, sporting, religious, political and cultural, and educational functions:

Preparation time R143.59 per session

	TARIFFS
(a) Main Hall Charge per 5 hour session:	R 277
Deposit:	R 1000
TOTAL:	R

4. Social functions such as Weddings, Receptions, Parties, Choir Performances and the likes:

Preparation time R300 per session

	TARIFFS
(a) Main Hall	R 277

Charge per 5 hour session:	
Deposit:	R 1000
TOTAL:	R

KWA-MEVANA HALL AND CEDARA VILLAGE HALL

5. Profit-making / commercial functions such as Banquets, Theatre and the likes:

	TARIFFS
(b) Main Hall Charge per hour session:	R 277
Deposit:	R 1940
TOTAL:	R

6. For activities relating to elections:

	TARIFFS
(b) Main Hall Charge per 5 hour session:	R 277
Deposit:	R 1940
TOTAL:	R

7. Fundraising, sporting, religious, political and cultural, and educational functions:

	TARIFFS
(b) Main Hall Charge per 5 hour session	R 277
Deposit:	R 1940
TOTAL:	R

8. Social functions such as Weddings, Receptions, Parties, Choir Performances and the likes:  
Preparation time R370 per session

	TARIFFS
(c) Main Hall Charge per 5 hour session:	R 277
Deposit:	R 1940
TOTAL:	R

#### LIDGETON HALL

9. Profit-making / commercial functions such as Banquets, Theatre and the likes:

	TARIFFS
(c) Main Hall Charge per hour session:	R 277
Deposit:	R 1940
TOTAL:	R

10. For activities relating to elections:

	TARIFFS
(c) Main Hall Charge per 5 hour session:	R 277
Deposit:	R 1940
TOTAL:	R

11. Fundraising, sporting, religious, political and cultural, and educational functions:

	TARIFFS
(d) Main Hall Charge per 5 hour session	R 277

Deposit:	R 1940
TOTAL:	R

12. Social functions such as Weddings, Receptions, Parties, Choir Performances and the likes:  
Preparation time R360 per session

	TARIFFS
(d) Main Hall Charge per 5 hour session:	R 277
Deposit:	R 1940
TOTAL:	R

13. Fees for the use of the Dorris Robbins Room at the Howick Library:

- |   |                   |
|---|-------------------|
| (a) Promotion of culture i.e. Book discussions, art evaluation or educational instruction | Free              |
| (b) Religious services and charitable institutions  | R 386 per session |
| (c) Commercial undertakings   | R 610 per session |

These fees are per session. Morning session 8am to 12 noon and afternoon session 1pm to 5 pm

NOTE: (i) Functions of Provincial and National acclaimed artists are NOT covered on these tariffs as written requests will have to be made to the Municipality.

- (ii) A cancellation fee of 15% of the hire charge will be applicable should the booking be cancelled one month before the event. Should a request for cancellation be received at any time 2 weeks prior to the date of the event, the hire charge or deposit will be forfeited.

#### 14. TARIFFS AND CHARGES APPLICABLE TO LEASES:

Subject to annual escalation as determined by Council.

Application Fee	R1 525 Excl. VAT
Advertising fee	R4 252 Excl. VAT
Lease Agreement preparation fee (Excluding minor encroachment, gardening, or security leases).	R 1 215 Excl. VAT



Tariffs for minor encroachments	
>0cm to 10 cm over the property boundary	No tariff
10cm to 50cm over the property boundary	R1 354 per annum Excl. VAT

#### Commercials

Core - mixed-used	R3 000 per month Excl. VAT
Light industries	R3 000 per month Excl. VAT

#### TARIFFS FOR GARDENING AND/OR SECURITY PURPOSES

<100M2	R 300 per annum Excl. VAT
>100M2 <200M2	R1 300 per annum Excl. VAT
>100M2 <300M2	R1 950 per annum Excl. VAT
>100M2 <400M2	R2 601 per annum Excl. VAT
>400M2 <500M2	R3 252 per annum Excl. VAT
>500M2	R3 900 per annum Excl. VAT

Applications for security leases must be accompanied by documents that prove existing security/nuisance threats.

#### TARIFFS FOR LAND LEASED FOR SOCIAL-RELATED PURPOSES

Welfare, community, cultural, creche, early childhood development centre, place of worship, sport as well as for sport and recreational purposes.	R 500 per month Excl. VAT
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#### 15. Animal Pound Charges

- (a) Transport of animal by LDV or Truck - R9.21 per Kilometer per animal
- (b) Veterinary Services rendered - Cost plus 10%
- (c) Pound Fees/Holding Fees - Large Animals e.g. Cattle R149.94 per day  
- Small Animals e.g. Sheep R99.97 per day
- (d) Administration Fee - R282.89 per animal

#### 16. uMngeni Municipality Sports Complex

## Field 1

<u>Ad-hoc day Activities</u>	Deposit	=	R2700
	Charge	=	R 442
<u>Ad-hoc Night Activities</u>	Deposit	=	R 2700
	Charge	=	R719 /hr
<u>Season Bookings Day</u>	Deposit	=	R 4360
	Charge p/day	=	R 166
<u>Season Booking Night</u>	Deposit	=	R4360 /Season
	Charge p/night	=	R387 /hr

## 2. Field 2

<u>Ad – hoc Day</u>	Deposit	=	R2700
	Charge	=	R166
<u>Ad-hoc Night</u>	Deposit	=	R2700
	Charge	=	R 160
<u>Season Booking Day</u>	Deposit	=	R4360 /hr/season
	Charge	=	R 110/Day
<u>Season Booking Night</u>	Deposit	=	R 4360 /Season
	Charge	=	R 166.00 /hr

## 3. Indoor Centre

<u>Ad-hoc (Lights Day &amp; Night</u>	Deposit	=	R 2700
	Charge	=	R 276
<u>Season Booking</u>	Deposit	=	R 4360
	Charge	=	R 276

## 4. Bar and Restaurant

Electricity	=	As metered
Lease	=	As per Bid
Deposit	=	R 13 551.89 /year
Maintenance	=	Clean entire grandstand facility

Admin responsibility = Report to Municipality on users monthly

5. Gym

Electricity = As metered

Lease = As per Bid

Deposit = R 14 161.72 /year

Maintenance = Clean entire Indoor Centre

Admin Responsibilities = Report to Municipality on users monthly

**17. Ranking and Transport Permit Fees**

1.1 Minibus Taxi

R 398.10 per annum plus R73.72 Application fee non refundable

1.2 Buses (GVM greater than 3500kg)

R421.15 per annum plus R73.72 application non refundable

1.3 Metered Taxi (Less than 5 seats)

R221.16 per annum plus R73.72 application fee non refundable

1.4 Tour and Transport Vehicles

R368.63 per annum plus R73.72 application fee non refundable

1.5 Scholar Transport Vehicles

R368.63 per annum plus R73.72 application non refundable

1.6 Lost and Renewal

50% of initial fee plus R73.72 application fee non refundable

1.7 Replacement permit R441.83

**18. Cemetery Tariffs**

**Resident**

- i. Opening Grave for exhumation R1281 (incl 15% VAT)
- ii. Internment of ashes R1281(incl. 15% VAT)
- iii. Opening of single grave for internment:
  - a. to depth of 1,85m (adult/child under 12months, incl. stillborn) R1204 (incl 15% VAT)
  - b.to depth of more than 1,85m, for each additional 300mm R115.99(incl 15% VAT)
- iv. Purchase of single grave plots in perpetuity/reserved R2454.42 (incl 15% VAT)
- v. Permission to erect memorial R231.97 (incl. 15% VAT)
- vii. An additional R276.15 (incl 15% VAT) is payable for burials taking place between 16h00 on one day through to 9h00 the following day over weekends and holidays.

All charges are payable in advance.

**Non-Resident**

(As per numbering above - all tariffs incl. of 15% VAT).

- I. R1944
- II. R1944
- III. R1944
- IV. R115
- V. R2817
- VI. R464

This should apply to all Cemeteries: Valley of Rest, Lions River, Currys Post, Mpophomeni, Hilton Garden of Remembrance, Miller Street - memorial wall only as all other reserved graves have been paid for and there are no other burial sites, similarly for Prospect Road Cemetery.

**19. Vehicle Pound Fees**

The tariff will apply on all vehicles impounded whereby there will be a fee to pay if the vehicle is parked off at the pound due to a traffic offense and or other offenses that justifies the impound of the vehicle.

- I. R370 per night

The tariff will apply for events where officers are required to render services, the overtime factor to be considered.

- I. R320 per officer on the event per hour

**20. Swimming Pool charges**

The charges for use of the poll will be as follows:

- Swimming pool:            Under 18 – R5  
   Over 19 – R10

## 21. Wayleave charges

Standard Activity	Unit of Measurement	Tariff
Road riding surface	Square meter (m <sup>2</sup> )	R 1,200.00
Backfilling	Square meter (m <sup>2</sup> )	R 1,024.00
Paved Footways	Square meter (m <sup>2</sup> )	R 650.00
DCP Testing (excluding transport, labour and administration)	Per test	R 300.00
Unpaved Footways	Square meter (m <sup>2</sup> )	R 600.00
Kerbing	Linear meter (m)	R 950.00
Temporary Reinstatments	Square meter (m <sup>2</sup> )	R 500.00
Wayleave processing fee	Sum per project application per suburb	R 1,000.00
For re-inspection where previous inspection had failed work and was redone		R 3,000.00
Penalty for failed reinstatemets done by own agent		R 10,000.00
Security Deosit		15 perecnt of the total cost of the total project cost/R15 Thousand Rand.Whichever is greater

USE CODES 2024/2025					
uMngeni Municipality: General Valuation Roll (GVR) Property Categories & Rate Randage: 2024/2025					
PROPERTY CATEGORIES	Rating Use Code	Exemption	Additionl Rebate	Proposed Rate Randage 2024/2025 (Cents in R1-00)	Guidelines / Period of Implementation
<b>Category 1: Residential</b>					
Urban	A01	R 130 000.00	0%	0.0100	Pensioner Discount applies on application for free standing properties and whom are pensioners, apportionment of common property to be included in unit values
Rural	A02	R 130 000.00	25%	0.0100	
Retirement Estates	A03	R 130 000.00	20%	0.0100	
Old Age Homes	A04	R 130 000.00	20%	0.0100	
Communal	A05	R 130 000.00	0%	0.0100	
<b>Category 2: Business &amp; Commercial</b>					
Rating Use Code					
Urban	B1	R -	15%	0.0143	Rebate applies for 2024/25 Financial year only - to be reviewed 2025/26.
Rural	B2	R -	35%	0.0143	Rebate applies for 2024/25 Financial year only - to be reviewed 2025/26.
Urban Tourism & Hospitality - Hotels, Lodges, Guest Houses, B & B's	B4	R -	25%	0.0143	Rebate applies for 2024/25 Financial year only - to be reviewed 2025/26.
Rural Tourism & Hospitality - Hotels, Lodges, Guest Houses, B & B's	B5	R -	25%	0.0143	Rebate applies for 2024/25 Financial year only - to be reviewed 2025/26.
<b>Category 3: Vacant Land</b>					
Bulk Development Land - Urban	V01	R -	10%	0.0100	Rebate applies for 2024/25 Financial year only - to be reviewed 2025/26.
Bulk Development Land - Rural	V02	R -	15%	0.0100	
Vacant Land - Residential - Urban	V03	R -	0%	0.0100	
Vacant Land - Residential - Rural	V04	R -	10%	0.0100	
Vacant Land - Business	V05	R -	0%	0.0100	
Vacant land - Industrial	V06	R -	0%	0.0100	
<b>Category 4: Industrial</b>					
Rating Use Code					
Urban	C01	R -	5%	0.0143	Rebate applies for 2024/25 Financial year only - to be reviewed 2025/26.
Rural	C02	R -	12%	0.0143	
<b>Category 5: Mining</b>					
	M01	R -	5%	0.0143	Rebate applies for 2024/25 Financial year only - to be reviewed 2025/26.
<b>Category 6: Agriculture</b>					
	G01	R -	0%	0.0025	Rebate determined by prescribed ratio, pensioner discount applies on application
<b>Category 7: Public Benefit Organisations</b>					
	L01	R -	0%	0.0025	Rebate determined by prescribed ratio
<b>Category 8: Protected Areas</b>					
	H01	R -	100%	0.0025	All protected areas must be proclaimed & registered by the relevant approval authorities
<b>Category 9: Places of Worship</b>					
	F01	R -	100%	0.0025	places of owrship are not rated
<b>Category 10: Public Infrastructure (PSI)</b>					
	I02 to 107	R -	0%	0.0025	are rated according to gazette
<b>Category 11: Public Service Purpose Properties</b>					
	E01	R -	0%	0.0025	are rated according to the gazette
<b>Category 12: Municipal Properties</b>					
	K01	R -	100%	0.0025	Municipal properties are not rated
<b>Category 13: Multi-Purpose - two or more land uses - refer categories</b>					
					Properties may be rated as per use code, and billed accordingly.

## 22. Interest

Interest on all arrear accounts will be charged at the rate of 1% per month and any part of a month shall be considered as a full month.



## ASSESSMENT OF GENERAL RATES FOR 2024/ 2025

MUNICIPAL NOTICE NO: \_\_\_\_\_

### ASSESSMENT OF GENERAL RATES FOR 2024/ 2025

Notice is hereby given in terms of Section 14 of the Local Government: Municipal Property Rates Act No 6 of 2004, that by Resolution taken \_\_\_\_\_ the Council of uMngeni Municipality has resolved to determine the rates payable on all ratable property within the area of uMngeni Municipality for the financial year 1 July 2024 to 30 June 2025 at different randage on the market value of the property as stated in the valuation roll.

All rebates, randage and exemptions are contained in the Rates Policy and may in certain instances be applied to the rate as assessed above.

#### **General:**

1. Rates will be payable monthly in twelve (12) equal installments with the first installment payable on 31 July 2024 and the last installment payable on the 30 June 2025.
2. The date on which the determination of rates came into operation is 01 July 2024.
3. Any rates remaining unpaid for a period longer than 3 months will be subject to legal action to be instituted to recover the arrear amount.
4. Any rates that are not paid on the due date will be subject to interest at the rate of 1% per month or part thereof.
5. The date on which the notice was first displayed on the Municipal Notice Board is 01 July 2025.
6. This notice is also available on uMngeni Municipality's website [www.umngeni.gov.za](http://www.umngeni.gov.za)
7. Pensioner and disability rebate will be granted to qualifying persons whose income doesn't exceed R 13 000 per month (Pensioners will apply for rebate as per the rates policy)
8. The municipality will grant 1% discount on early payment to all customers
9. A collection of 0% will be raised on the amount outstanding on 28 February 2024
10. Rates will be payable monthly in twelve (12) equal installments with the first installment payable on 31 July 2024 and the last installment payable on the 30 June 2025.
11. The date on which the determination of rates came into operation is 01 July 2024.
12. Any rates remaining unpaid for a period longer than 3 months will be subject to legal action to be instituted to recover the arrear amount.
13. Any rates that are not paid on the due date will be subject to interest at the rate of 1% per month or part thereof.
14. The date on which the notice was first displayed on the Municipal Notice Board is 01 July 2024.
15. This notice is also available on uMngeni Municipality's website [www.umngeni.gov.za](http://www.umngeni.gov.za)

16. Pensioner and disability rebate will be granted to qualifying persons whose income doesn't exceed R 13 000 per month (Pensioners will apply for rebate for the rate Policy)
17. The municipality will grant 1% discount on early payment to all customers.

**MUNICIPAL MANAGER  
PO BOX 5  
HOWICK  
3290**





**uMngeni Municipality**

## **Municipal Manager's Quality Certificate**

PO Box 5  
3290  
Howick, South Africa

Tel: +27 (33) 239 9200  
Fax: +27 (33) 330 4183  
Email: [manager@umngeni.gov.za](mailto:manager@umngeni.gov.za)  
Website: [www.umngeni.gov.za](http://www.umngeni.gov.za)

### **OFFICE OF THE MUNICIPAL MANAGER**

#### **Quality Certificate**

I, Mr Mzingisi Hloba, Municipal Manager of uMngeni Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the draft budget and supporting documents are consistent with the Integrated Development Plan of the Municipality.

PRINT NAME

MZINGISI HLOBA

MUNICIPAL MANAGER OF

UMNGENI MUNICIPALITY (KZN222)

SIGNATURE

\_\_\_\_\_

DATE

17 MAY 2024