



2025/26 – 2027/28
ANNUAL BUDGET & MEDIUM-TERM
REVENUE AND EXPENDITURE
FRAMEWORK

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PART 1- ANNUAL BUDGET

1.1 MAYORS REPORT

SPEECH BY THE MAYOR OF UTHUKELA DISTRICT MUNICIPALITY PRESENTED TO THE MUNICIPAL COUNCIL ON THE OCCASION OF TABLING OF THE 2025/26 DRAFT BUDGET

VISION

Our vision is an economically sound municipality with effective infrastructure and a municipality that empowers people, protects the environment and demonstrates excellence in leadership.

In this tabled draft budget Council has endeavoured to achieve these calls and has tried to provide for this within its limited resources. Given the constraints on the revenue side, tough decisions have been made to ensure a sustainable budget.

JOB CREATION

Council has heeded the Government's call for job creation and has partnered with the Department of Public Works to ensure that the EPWP is fully operational in this Municipality. The allocation for EPWP will increase for 2025/26 financial year from R1.6 million to R2 million. The municipality is faced with budget funding constraints and not in a position to subsidise with the equitable share. Management will have to manage the contracting of workers accordingly.

INFRASTRUCTURE DEVELOPMENT

The total capital grant allocations for 2025/26 financial year have increased to R311 million. We will continue to upgrade our infrastructure and embark on new capital projects improve water distribution and reticulation. Various infrastructure projects that have been identified by the community during the needs analysis will be considered in this budget.

DEBT MANAGEMENT

Council has written off debts for qualifying indigent debtors, a concerted effort has been made to collect and reduce all outstanding debts. Council has also approved the implementation of prepaid meters in order to improve the collection rate. Debt collection and revenue enhancement will remain a priority in the upcoming financial year. The municipality has prioritised on the issue of revenue enhancement. Further to that consultants deployed by the National Treasury in the revenue section are actively assisting with debt collection. We are anticipating an improvement in our collection rate.

ASSET MANAGEMENT

Asset management is prioritised and ensuring that councils assets are managed properly. It has been noted that the municipality is not budgeting enough for the maintenance of municipal assets, this allocation will be investigated further in light of the total available cash to implement the maintenance plan in phases. We have responsibility of reducing expenditure on non-essential items and prioritising repairs and maintenance of municipal assets.

OVERVIEW OF 2025/2026 DRAFT BUDGET

	2025/2026	2026/2027	2027/2028
Total Revenue	1 058 184 742,98	1 112 347 943,20	1 168 665 712,28
Total Expenditure	1 057 111 828,66	1 076 131 730,90	1 095 686 945,47
Operating surplus/ Deficit	1 072 914,32	36 216 212,30	72 978 766,80

THE WAY FORWARD

The municipality will remain dedicated to its core business of providing high quality basic services to the community. All areas of non-performance affecting basic service delivery will be identified and remedial measures will be employed accordingly. The limited resources available will be prioritised strictly for basic service delivery.

1.2 COUNCIL RESOLUTIONS:

On the 31st March 2025 the Council of UThukela District Local Municipality met to consider the draft annual budget of the municipality for the financial year 2025/26. The Council approved and adopted the following resolutions:

1. The UThukela District Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
 - 1.1. The annual DRAFT budget of the municipality for the financial year 2025/26 and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table A2
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table A3
 - 1.1.3. Budget Summary as contained in Table A1
 - 1.1.4. Budgeted financial performance (revenue and expenditure) as contained in Table A4
 - 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
 - 1.2.1. Budgeted Financial Position as contained in Table A6
 - 1.2.2. Budgeted Cash Flows as contained in Table A7
 - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table A8
 - 1.2.4. Asset management as contained in Table A9
 - 1.2.5. Basic service delivery measurement as contained in Table A10
2. The Council of UThukela District Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) to consider:

- 2.1. The tariffs for water services for conventional and prepaid consumers
- 2.2. The tariffs for sanitation services.
- 2.3. The tariffs for other municipal services.

- 3. The 2025/2026 draft annual policies

1.3 EXECUTIVE SUMMARY

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

In the compilation of this budget the municipality has taken note of the Cabinet resolution by which all national and provincial departments, constitutional institutions and all public entities are required to implement cost containment measures. These cost containment measures must be implemented to eliminate waste, reprioritise spending and ensure savings on six focus arrears namely consultancy fees, no credit cards, travel and related costs, advertising, catering and events costs as well as accommodation.

The Municipality has embarked on implementing a range of revenue collection strategies to optimise the collection of debt owed by consumers. Most of which will benefit the municipality as well as consumers. Consultants have also been engaged in the revenue department to assist with the prior year's qualifying matters

National Treasury's MFMA Circular No.129 and No.130 of March 2025 was used to guide the compilation of the 2025/2026 draft Budget and MTREF.

The main challenges experienced during the compilation of the 2025/26 MTREF can be summarised as follows:

- The on-going difficulties in the national and local economy;
- Aging water infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk electricity (Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;
- Escalating water losses , the municipality continues to suffer water losses
- Wage increases for municipal staff that continues to be a large portion of the equitable share
- Municipalities unfunded budget

- Vat increase

Macroeconomic performance and projections, 2023 - 2028				
Fiscal year				
2023/24	2024/25	2025/26	2026/27	2027/28
Actual	Estimate	Forecast		
CPI Inflation				
6%	4.4%	4.3%	4.6%	4,40%

In view of the aforementioned, the following table is a consolidated overview of the proposed 2025/26 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2025/26 MTREF

	2025/2026	2026/2027	2027/2028
Total Revenue	1 058 184 742,98	1 112 347 943,20	1 168 665 712,28
Total Expenditure	1 057 111 828,66	1 076 131 730,90	1 095 686 945,47
Operating surplus/ Deficit	1 072 914,32	36 216 212,30	72 978 766,80

Operating Revenue

Total operating revenue has been increased by an aggregate of 5% for the 2025/26 financial year when compared to the 2024/25 adjustments budget. The increase is due to the general percentage increase which is applied to service Charges tariffs. The municipality has conducted extensive testing of tariffs supported by consultants from Treasury and has found the tariffs not to be cost reflective. The municipality has committed to phase out cost reflective tariff without causing shock to the consumer.

The municipality also noted to correct that it had been charging the same tariffs to businesses and household consumers. The municipality seeks to correct business tariffs over three years starting 6% in the 2025/26 financial year, and 6% in the 2026/27 financial year.

The tariff scale will then be adjusted accordingly in the 2025/26 financial year to a tariff which will be increased by 6% for the outer two years of the MTREF.

The household consumer tariff will be increased by 6% the municipality notes the tariffs are not cost reflective but will commit to phasing these out gradually with minimum impact on consumer income. Considering unfunded budget and non-cost reflective tariffs, council has proposed to increase tariffs by 20%. Engagements will be held with all relevant stakeholders and pending outcomes will be factored in the final budget.

Operating Expenditure

Total operating expenditure for the 2025/26 financial year has been appropriated at R1.057 billion which results in the budget having a surplus of R1 million. The CPI of 4.3% was applied on expenditure items, and the municipality had to exercise caution and not increase some expenditure items due to financial constraints. A needs analysis was conducted. Employee related expenditure was increased by 4.3% The municipality has duly considered the affordability of an increment, considering our unfunded budget and is considering applying for exemption, but factored in the increase in case exemption is not approved as previous years. However, the municipality is committed towards reducing overtime, S&T and standby allowances substantially.

Capital Expenditure.

R311 million is funding from national Government Grants for water and sanitation capital projects which are core functions of the municipality and a budget of R2.5 million from internally generated funds.

1.4 OPERATING REVENUE FRAMEWORK

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

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

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development.
- Efficient revenue management, which aims to achieve a 60% annual collection rate for key service charges; the municipality is struggling to reach the desired collection.
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- 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 2025/26 MTREF
(classified by main revenue source): Table 2 Summary of revenue classified by
main revenue source A4**

UTHUKELA DISTRICT MUNICIPALITY DRAFT BUDGET 2025/2026

Description	Audited 2023/2024	Funding Plan 2024/2025	Original 2025/2026	Year 1 2026/2027	Year 2 2027/2028
R thousand					
Revenue					
Exchange Revenue					
Service charges - Electricity					
Service charges - Water	269 456 000,00	272 709 995,00	- 289 072 594,70	- 306 416 950,38	- 324 801 967,40
Service charges - Waste Water Management	17 907 693,00	19 132 476,00	- 20 293 170,00	- 21 510 760,20	- 22 801 405,81
Service charges - Waste Management					
Sale of Goods and Rendering of Services	133 300,00	492 817,00	- 522 543,00	- 546 579,98	- 570 629,50
Agency services					
Interest					
Interest earned from Receivables	62 379 178,00	69 486 891,00	- 74 737 950,00	- 79 222 227,00	- 83 975 560,62
Interest earned from Current and Non Current Assets	11 078 696,00	7 007 029,00	- 6 778 978,50	- 7 090 811,51	- 7 402 807,22
Dividends					
Rent on Land					
Rental from Fixed Assets					
Licence and permits					
Operational Revenue	979 920,00	2 934 005,00	- 1 070 775,09	- 1 120 030,74	- 1 169 312,10
Non-Exchange Revenue					
Property rates					
Surcharges and Taxes					
Fines, penalties and forfeits	41 700,00	626 485,00	- 574 171,50	- 600 583,38	- 627 029,63
Licences or permits					
Transfer and subsidies - Operational	583 832 782,00	632 191 763,00	- 665 134 560,19	- 695 840 000,00	-727317000
Interest					
Fuel Levy					
Operational Revenue					
Gains on disposal of Assets	5 831 893,00				
Other Gains					
Discontinued Operations					
Total Revenue (excluding capital transfers and contributions)	951 641 162,00	1 004 581 461,00	- 1 058 184 742,98	- 1 112 347 943,20	- 1 168 665 712,28
Description	Audited 2023/2024	Funding Plan 2024/2025	Original 2025/2026	Year 1 2026/2027	Year 2 2027/2028
Employee related costs	374 224 859,00	395 958 956,00	406 373 622,19	406 373 622,19	406 373 622,19
Remuneration of councillors	6 302 847,00	6 218 514,00	6 505 215,12	6 505 215,12	6 505 215,12
Bulk purchases - electricity		-			
Inventory consumed	32 063 396,00	86 497 095,00	68 790 421,33	69 700 790,29	70 709 209,25
Debt impairment	237 174 114,00	80 482 399,00	83 943 142,16	87 804 526,70	91 667 925,87
Depreciation and amortisation	85 704 247,00	84 527 519,00	87 159 859,50	91 169 213,04	95 180 658,41
Interest	16 352 222,00	6 456 370,00	6 733 993,91	7 043 757,63	7 353 682,97
Contracted services	155 507 878,00	154 211 983,00	125 162 331,59	127 141 622,99	128 348 917,16
Transfers and subsidies			1 600 000,00		
Irrecoverable debts written off		80 482 399,00	83 943 142,16	87 804 526,70	91 667 925,87
Operational costs	285 410 357,00	198 708 858,00	186 900 100,71	192 588 456,25	197 879 788,64
Losses on disposal of Assets		-			
Other Losses		-			
Total Expenditure	1 192 739 920,00	1 093 544 093,00	1 057 111 828,66	1 076 131 730,90	1 095 686 945,47

Table 3 percentage growth in revenue by main revenue source A4

UTHUKELA DISTRICT MUNICIPALITY DRAFT BUDGET 2025/2026

Description	Funding Plan 2024/2025		Original 2025/2026		Year 1 2026/2027		Year 2 2027/2028	
R thousand								
Revenue								
Exchange Revenue								
Service charges - Electricity								
Service charges - Water	-	272 709 995,00	1,06	- 289 072 594,70	1,06	- 306 416 950,38	1,06	- 324 801 967,40
Service charges - Waste Water Management	-	19 132 476,00	1,06	- 20 293 170,00	1,06	- 21 510 760,20	1,06	- 22 801 405,81
Service charges - Waste Management								
Sale of Goods and Rendering of Services	-	492 817,00	1,06	- 522 543,00	1,05	- 546 579,98	1,04	- 570 629,50
Agency services								
Interest								
Interest earned from Receivables	-	69 486 891,00	1,08	- 74 737 950,00	1,06	- 79 222 227,00	1,06	- 83 975 560,62
Interest earned from Current and Non Current Assets	-	7 007 029,00	0,97	- 6 778 978,50	1,05	- 7 090 811,51	1,04	- 7 402 807,22
Dividends								
Rent on Land								
Rental from Fixed Assets								
Licence and permits								
Operational Revenue	-	2 934 005,00	0,36	- 1 070 775,09	1,05	- 1 120 030,74	1,04	- 1 169 312,10
Non-Exchange Revenue								
Property rates								
Surcharges and Taxes								
Fines, penalties and forfeits	-	626 485,00	0,92	- 574 171,50	1,05	- 600 583,38	1,04	- 627 029,63
Licences or permits								
Transfer and subsidies - Operational	-	632 191 763,00	1,05	- 665 134 560,19	1,05	- 695 840 000,00	1,05	- 727 317 000,00
Interest								
Fuel Levy								
Operational Revenue								
Gains on disposal of Assets								
Other Gains								
Discontinued Operations								
Total Revenue (excluding capital transfers and contributions)		1 004 581 461,00		- 1 058 184 742,98		- 1 112 347 943,20		- 1 168 665 712,28

Table 4 percentage of revenue by source A4

Description	Funding Plan 2024/2025		Original 2025/2026		Year 1 2026/2027		Year 2 2027/2028	
R thousand								
Revenue								
Exchange Revenue								
Service charges - Electricity								
Service charges - Water	-	272 709 995,00	-	0,27	- 289 072 594,70	0,27	- 306 416 950,38	0,28
Service charges - Waste Water Management	-	19 132 476,00	-	0,02	- 20 293 170,00	0,02	- 21 510 760,20	0,02
Service charges - Waste Management								
Sale of Goods and Rendering of Services	-	492 817,00	-	0,00	- 522 543,00	0,00	- 546 579,98	0,00
Agency services								
Interest								
Interest earned from Receivables	-	69 486 891,00	-	0,07	- 74 737 950,00	0,07	- 79 222 227,00	0,07
Interest earned from Current and Non Current Assets	-	7 007 029,00	-	0,01	- 6 778 978,50	0,01	- 7 090 811,51	0,01
Dividends								
Rent on Land								
Rental from Fixed Assets								
Licence and permits								
Operational Revenue	-	2 934 005,00	-	0,00	- 1 070 775,09	0,00	- 1 120 030,74	0,00
Non-Exchange Revenue								
Property rates								
Surcharges and Taxes								
Fines, penalties and forfeits	-	626 485,00	-	0,00	- 574 171,50	0,00	- 600 583,38	0,00
Licences or permits								
Transfer and subsidies - Operational	-	632 191 763,00	-	0,63	- 665 134 560,19	0,63	- 695 840 000,00	0,62
Interest								
Fuel Levy								
Operational Revenue								
Gains on disposal of Assets								
Other Gains								
Discontinued Operations								
Total Revenue (excluding capital transfers and contributions)		1 004 581 461,00		- 1 058 184 742,98		- 1 112 347 943,20		- 1 168 665 712,28
			-	1,00		1,00		1,00

The three tables above show that the municipality 's main source of Revenue is grant funding as it covers more than half of the income which is 63% for the 2025/26 MTREF. Thus, making the municipality grant reliant.

Revenue from the main Service Charges has remained constant between 27%- 28% over MTREF

Revenue is expected to total just over a billion R1,058 billion. An amount of R309 million is expected to be generated from Service charges. The municipality also noted to correct that it had been charging the same tariffs to businesses and household consumers. The current tariff was benchmarked and found to be 14% on average below to other similar municipalities. The municipality seeks to correct business tariffs over three years 6% in the 2025/26 financial year, and 6% in the 2027/28 financial year.

The municipality will increase by 6% the industrial tariff and eliminating the bottom scale in order to correct the faulty declining tariff scale.

The household consumer tariff will be increased by 6% the municipality notes the tariffs are not cost reflective but will commit to phasing these out gradually with minimum impact on consumer income. Service charges water was calculated based on 2024/2025 adjustment amount. The municipality will be doing correction journals on this line item as there properties that were not billed correctly. Service charges sanitation, interest on outstanding the municipality used the February year to date amount and a projection was calculated based on that.

Other revenue increases by 4.3% 2025/2056 financial year and 4.6% and 4.4% respectively of the MTREF which is inline within the average headline inflation rate. The municipality is in the process of drafting the computation of the cost reflective tariffs which will be gradually phased in. consideration will be given to consumer affordability. The other delaying factor in phasing in the cost reflective tariff is that the municipality has not yet established accurate cost centres. Other revenue was calculated on February year to date figure to give a more accurate estimate.

Other revenue' contributes less than one percentage to total revenue.

Operating grants and transfers totals R665 million in the 2025/26 below are a detailed split of the operating grants.

Table 5 Operating Transfers and Grant Receipts

UTHUKELA DISTRICT MUNICIPALITY DRAFT BUDGET 2025/2026

UNCONDITIONAL GRANTS				
	2024/2025	2025/2026	2026/2027	2027/2028
GRANT NAME	(R'000)	(R'000)	(R'000)	(R'000)
Equitable Share	523 752	556 875	592 639	619 450
RSC Levies Replacement	83 712	87 013	90 765	94 870
Special Support for Councillor Remuneration and Ward Committees	6 560	6 868	7 184	7 509
Total	614 024	650 756	690 588	721 829
CONDITIONAL GRANTS - OPERATIONAL				
	2024/2025	2025/2026	2026/2027	2027/2028
GRANT NAME	(R'000)	(R'000)	(R'000)	(R'000)
Expanded Public Works Programme Intergrated grant	1 685	2 093	-	-
Financial Managemnet Grant	2 000	2 000	2 200	2 300
Rural Road Asset Management	2 792	2 918	3 052	3 188
Total	6 477	7 011	5 252	5 488
Total		657 767	695 840	727 317
Municipal Infrastructure Grant (operational)		7 367		
TOTAL		665 134		

1.4.1 Water and Sanitation Tariffs

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

Municipality is still recovering from this situation, and which has been further negatively debt owed to Umgeni.

The core function of the municipality is water and sanitation which is the basic needs for human beings and the constitution says they are basic human rights. The municipality has a difficult task of setting tariffs which are affordable to all consumers and the same time must be cost reflective considering all cost associated with the product.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability. As mentioned earlier services are failing to break even.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilized 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 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. The municipality is struggling to collect its debt and is since implementing the roll out of prepaid meters. A service provider has been employed and are currently onsite and have since started on data cleansing.

Tariff the cost of the provision of general services. Determining the effective tariff is therefore an integral part of the municipality's budgeting process. The municipality has considered the percentage increase in the major cost drivers of providing services. Which is electricity increasing and percentage increase yet to be determined. The municipality has applied an 6% increase on all its tariffs as they are not cost reflective and is working on a tariff tool to get a more accurate figure. The council further suggested that tariffs be increased by 20% as the municipality is struggling to break even. The municipality will be having engagements with all involved stakeholders to discuss the impact of the 20% increase, however, did not factor the 20% in the billing yet, until such time as there is consensus so as not to inflate the revenue of the municipality. Roadshows will be conducted

Table 6 Water and Sanitation Tariffs

WATER & SANITATION SERVICES TARIFF 2025/2026 FINANCIAL YEAR

The proposed 20 % increase in tariffs

	Description	Tariff
1.	Tariff for accessibility to water (basic charge occupied and unoccupied)	R133.56/ month
2.	Tariff for accessibility to sewerage system (basic charge occupied and unoccupied)	R170.18/ month
3.	Sewer tariff for restricted usage (unmetered)	R170.18/ month
4.	Servicing sewer conservancy tanks/pits (small)	R300.67/ service
	Servicing sewer conservancy tanks/pits (large)	R644.34/ 5000l/ load
	Discharge of sewage to wastewater works by private sewer tankers	R18/litre
	Integrated Step Tariff (Domestic Use)	

5.	Water tariff for water usage up to 6kl	Free/ Indigent
	Water tariff for water usage 1 to 30kl	R19.38kl
	Water tariff for water usage 31kl to 100kl	R22.45kl
	Water tariff for water usage 101kl and above	R25.80kl
	Integrated step tariffs (Business use)	
	Water tariff for water usage 1 to 30kl	R21.66kl
	Water tariff for water usage 31kl to 100kl	R25.09kl
	Water tariff for water usage 101kl and above	R28.82kl
	Integrated Step Tariff (Industrial/Factory Use)	
6.	Water tariff for water usage 1kl and above	R20.91kl
	Integrated Step Tariff (Co-operatives)	
7.	Water tariff for water usage 1 to 40kl	R10.51kl
	Water tariff for water usage 41 to 80kl	R10.37kl
	Water tariff for water usage 81kl and above	R12.53kl
	Integrated Step Tariff (Churches)	
8.	Water tariff for water usage 1 to 30kl	R9.12kl
	Water tariff for water usage 31 to 70kl	R10.36kl
	Water tariff for water usage 71kl and above	R12.53kl
	Integrated Step Tariff (Trust)	
9.	Water tariff for water usage 1 to 30kl	R18.57kl
	Water tariff for water usage 31 to 70kl	R18.05kl
	Water tariff for water usage 71kl and above	R21.12kl
	Integrated step tariff (Government use)	
10.	Water tariff for water usage 1 to 30kl	R21.66kl
	Water tariff for water usage 31kl to 100kl	R25.92kl
	Water tariff for water usage 101kl and above	R28.82kl
11.	Bulk potable water supply to IDC Estate	R9.92kl
	Bulk Raw water supply	R6.07kl
12.	Emergency Services Connection (excluding emergency services)	R68.90kl
13.	Availability charge for fire hydrant per month	R157.52
14.	For water drawn or usage from metered fire hydrant	R21.43/kl

15.	Inspections for internal leaks and any other services (per visit)	R1040.00
16.	All connections, repairs and work required from Council Domestic	Cost + 30%
17.	All connections, repairs and work required from Council other services actual cost + 10 %	Cost + 30%
18.	Trade Effluent	Charge(c/kl) = R137.14+([COD/1000] x R2.72c) (COD-Chemical Oxygen Demand)
19.	Account Deposits (Subject to credit worthiness)	Residential dep. max R12087.20 Bus./Govt./Trust dep. max R15030.31 Industrial dep. max. R25048.78 Church/Co-ops dep. Max R10294.41 New consumers:- Residential dep.R2670.18 New Bus./Govt./Industr. R6720.90 New Co-operatives R1254.79 New Churches R2994..48 New Trust businesses R6314.76 New Trusts R2505.44 New account connection fee is R308.70
20.	New accounts administration fees- Opened by Council per para. 4.7 CC&DCP	Residential: R2630.58 Bus/Govt/Ind:R6169.84 Co-ops: R 1399.23 Churches: R2912.47 Trusts in bus:R5818.12 Trusts: R2490.93

21.	Scrutiny of building plans	R796.93/ plan
22.	Clearing of grass overgrowth	Actual cost + 33%
23.	Requested Water Tankering (funerals – if not indigent)	Water R35.85 per kl Transport R24.88 per km Plus 7.44% administration fee
24.	Requested Water Tankering (other events)	Water R57.82 per kl Transport R37.84 per km Plus 30% administration fee
25.	Developer's Capital Contribution - Water	R 16696.64
26.	Developer's Capital Contribution - Sanitation	R 18366.45
27.	Disconnection Fee Reconnection fee - Working hours -After hours, Saturdays/Sundays/Public Holidays	R1800
28.	Clearance certificates	R767.97
29.	Flat rate services (where applicable)	R547.39 per household
30.	Moving/shifting of the existing water meter (in metres)	
31.	A distance less than a metre (1m)	R547.27
32.	A distance from 1 metre to 3 metres	R884.35
33.	A distance more than 3 metres to any distance	R1315.71

Offences and penalties

1.Any person who fails or refuses to give access required by an officer of the authority or an authorized provider shall be guilty of an offence in terms of section 34 of the Water Services By-laws and liable on conviction to a fine not exceeding R 6179.95 or in default on payment, to imprisonment for a period not exceeding 6 months and in the event of a continued offence to a further fine not exceeding R 2 969.97 for every day during the continuance of such offence after a written notice from the authority or an authorized

provider has been issued and in the event of a second offence to a fine not exceeding R 9 269.91 or, in default on payment to imprisonment for a period not exceeding 12 months.

2.Any person who obstructs or hinders any officer of the authority in the exercise of his or her powers or performance of his or her functions or duties shall be guilty of an offence in terms of section 34 of the Water Services By-laws and liable on conviction to a fine not exceeding R75305.91 or in default on payment, to imprisonment for a period not exceeding 6 months and in the event of a continued offence to a further fine not exceeding R14 575.34 for every day during the continuance of such offence after a written notice from the authority has been issued and in the event of a second offence to a fine not exceeding R109315.804 or, in default on payment to imprisonment for a period not exceeding 12 months.

Water and Waste Water Analysis		
Determinant	Units	Cost per sample
Alkalinity	mg/l CaCO ₃	R100.30
Appearance	Descriptive	
Aluminium - soluble	mg/l Al	R86.80
Ammonia	mg/l N	R83.61
Chloride	mg/l Cl	R66.92
Chlorine – Free	mg/l Cl ₂	R33.34
Colour	Pt-Co	R50.00
Conductivity	mS/m	R33.34
Fluoride	mg/l F	R83.62
Iron	mg/l Fe	R49.03
Manganese	mg/l Mn	R84.07
Nitrate	mg/l N	R50.74
Nitrite	mg/l N	R50.74
Odour	Descriptive	
pH	pH Units	R33.34
Phosphate - soluble	mg/l P	R50.74
Solids - Settle able	ml/l	R50.74
Sulphate	mg/l SO ₄	R73.39
Sulphide	mg/l H ₂ S	R83.61
Suspended Solids	mg/l	R73.06
Temperature	°C	
Total Dissolved Solids	mg/l	R50.75
Turbidity	NTU	R33.18

Oxygen Absorbed	mg/l O ₂	R100.30
Chemical Oxygen Demand	mg/l O ₂	R123.9
Magnesium/Calcium	mg/l Mg/Ca	R116.69

- Sample bottles can be collected at the Laboratory.
- A volume of at least 1 litre is necessary for analysis.

Microbiological Analysis		
Faecal coliforms	colonies per 100ml	R91.99
Total coliforms	colonies per 100ml	R91.99
Standard plate count	colonies per ml	R76.72

- Sample bottle can be collected at the Laboratory.
- A volume of at least 1 litre is necessary for analysis.
- Sterile bottles provided by the Laboratory should be used.
- Samples must be delivered to the Laboratory within 6 hours of collection and should be kept cold.
- A volume of 500ml is sufficient for analysis.

1. Prices listed are for single samples.
2. Sterile bottles can be supplied free of charge. Bottles broken or not returned will be charged for at a rate of R30.51 per bottle.

FINES FOR ILLEGAL CONNECTIONS AND TEMPERING

First instance	R 4171.96
Second instance	R 8342.48
Third instance	R 12 514.26
Forth instance	R16 684.98

NB: Immediately if the consumer committed a fifth instance, complete disconnection of water supply will apply!

PENALTY FEES

1. Warning letter	R 94.09
2. Final cut-off	
• Additional deposit-business	R 282.27
• Additional deposit-households	R199.46
• Penalty fee	R 157.58

RECONNECTION FEES:

- | | |
|---|----------------|
| 1. Standard fee applies during working office hours | R193.80 |
| 2. Standard rate applies after office hours | R462.60 |

NEW CONNECTION (PLUMBING WORK) CHARGES, INCLUDING FIRE HYDRANT

NO	SIZE (MM)	UNIT COST R	DEPOSIT
1	20	3 983.47	376.36
2	25	3 983.47	376.36
3	32	4 771.30	376.36
4	40	11291.11	940.94
5	50	11 314.51	940.94
6	80	16 605.92	940.94
7	100	18046.66	940.94
8	150	18 737.37	940.94

NB: The above costs exclude material and labour costs!

Tender documents

Maps GIS

Clearance certificates

	A3 PRINTER		A0 PLOTTER		
	A4	A3	A2	A1	A0
Full Colour	37.10	74.23	281.68	250.52	334.03

Grey Scale	37.10	74.23	281.68	241.26	334.03
Topo Maps	26.27	52.51	131.29	281.68	250.52
Line / Hatch	17.49	52.51	99.66	120.62	167.00

Maps GIS tariffs

Tender Documents

Municipal Produced	R625.67
Consultants produced depending on the project	R627.87 and R732.57 respectively

- disconnection fee from R1800
- discharge fee of illegal sewer connections R 2400
- disposal of the dead tariffs
 - Application per competence certificate R 960
- Food Safety**
 - Certificate of Acceptability fees (informal) R 960
 - Certificate of Acceptability fees (formal) R 1200
 - Certificate of unsound food stuff (condemnation Certificate) R1420
 - Certificate of Acceptability fees (Vehicle) R 1200

1.5 OPERATING EXPENDITURE FRAMEWORK

The Municipality's expenditure framework for the 2025/26 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,
- The capital programmes aligned to the asset renewal strategy and backlog eradication plan,
- Operational gains and efficiencies will be directed to funding the capital budget and other core services, and
- Strict adherence to the principle of *no project plans no budget*. If there is no business plan no funding allocation can be made.
- Strict adherence to the principle of prioritising basic service delivery informed by circular 81

The following table is a high-level summary of the 2025/26 budget and MTREF (classified per main type of operating expenditure):

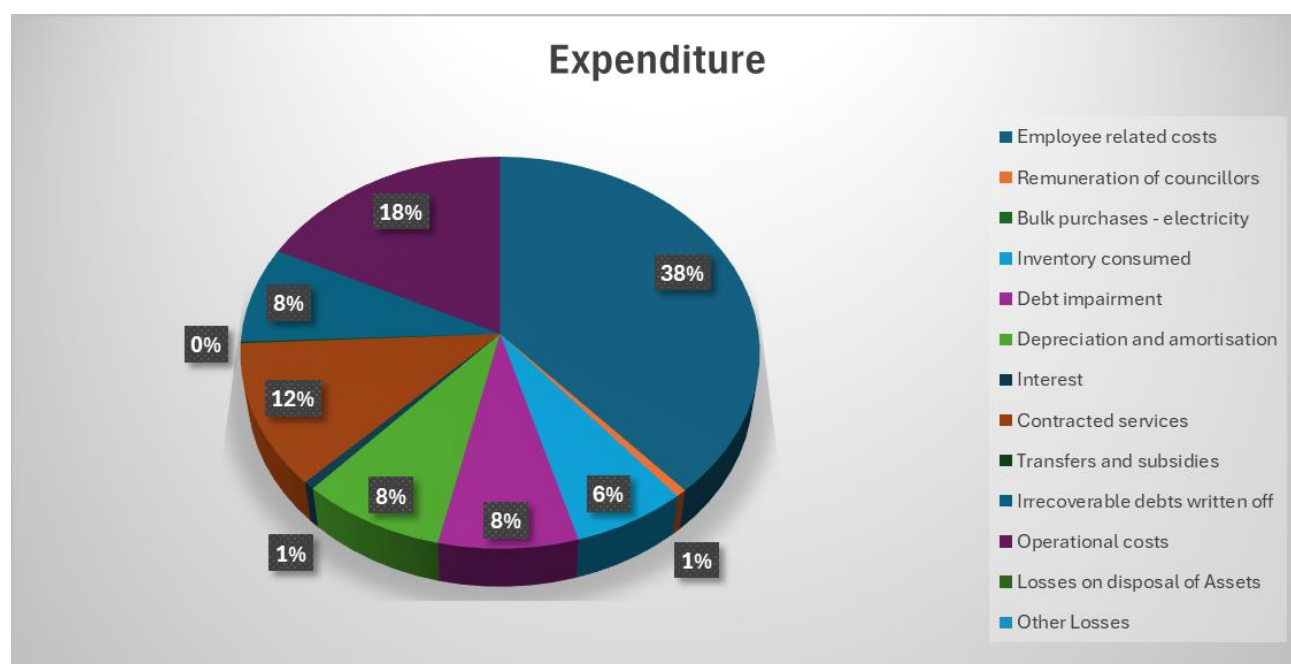
Table 8 Summary of operating expenditure by standard classification item A4

Description	Audited 2023/2024	Funding Plan 2024/2025	Original 2025/2026	Year 1 2026/2027	Year 2 2027/2028
Employee related costs	374 224 859,00	395 958 956,00	406 373 622,19	406 373 622,19	406 373 622,19
Remuneration of councillors	6 302 847,00	6 218 514,00	6 505 215,12	6 505 215,12	6 505 215,12
Bulk purchases - electricity		-			
Inventory consumed	32 063 396,00	86 497 095,00	68 790 421,33	69 700 790,29	70 709 209,25
Debt impairment	237 174 114,00	80 482 399,00	83 943 142,16	87 804 526,70	91 667 925,87
Depreciation and amortisation	85 704 247,00	84 527 519,00	87 159 859,50	91 169 213,04	95 180 658,41
Interest	16 352 222,00	6 456 370,00	6 733 993,91	7 043 757,63	7 353 682,97
Contracted services	155 507 878,00	154 211 983,00	125 162 331,59	127 141 622,99	128 348 917,16
Transfers and subsidies			1 600 000,00		
Irrecoverable debts written off		80 482 399,00	83 943 142,16	87 804 526,70	91 667 925,87
Operational costs	285 410 357,00	198 708 858,00	186 900 100,71	192 588 456,25	197 879 788,64
Losses on disposal of Assets		-			
Other Losses		-			
Total Expenditure	1 192 739 920,00	1 093 544 093,00	1 057 111 828,66	1 076 131 730,90	1 095 686 945,47

Table 9 Operating expenditure expressed as percentages

Description	Funding Plan 2024/2025		Original 2025/2026		Year 1 2026/2027		Year 2 2027/2028	
Employee related costs	395 958 956,00	0,36	406 373 622,19	0,38	406 373 622,19	0,38	406 373 622,19	0,37
Remuneration of councillors	6 218 514,00	0,01	6 505 215,12	0,01	6 505 215,12	0,01	6 505 215,12	0,01
Bulk purchases - electricity	-							
Inventory consumed	86 497 095,00	0,08	68 790 421,33	0,07	69 700 790,29	0,06	70 709 209,25	0,06
Debt impairment	80 482 399,00	0,07	83 943 142,16	0,08	87 804 526,70	0,08	91 667 925,87	0,08
Depreciation and amortisation	84 527 519,00	0,08	87 159 859,50	0,08	91 169 213,04	0,08	95 180 658,41	0,09
Interest	6 456 370,00	0,01	6 733 993,91	0,01	7 043 757,63	0,01	7 353 682,97	0,01
Contracted services	154 211 983,00	0,14	125 162 331,59	0,12	127 141 622,99	0,12	128 348 917,16	0,12
Transfers and subsidies			1 600 000,00	0,00				
Irrecoverable debts written off	80 482 399,00	0,07	83 943 142,16	0,08	87 804 526,70	0,08	91 667 925,87	0,08
Operational costs	198 708 858,00	0,18	186 900 100,71	0,18	192 588 456,25	0,18	197 879 788,64	0,18
Losses on disposal of Assets	-							
Other Losses	-							
Total Expenditure	1 093 544 093,00		1 057 111 828,66		1 076 131 730,90		1 095 686 945,47	
		1,00		1,00		1,00		1,00

Figure 1 Main operational expenditure categories for the 2025/26 financial year



Employee related cost

UTHUKELA DISTRICT MUNICIPALITY DRAFT BUDGET 2025/2026

Board Members of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Board Fees		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Board Members of Entities		-	-	-	-	-	-	-	-	-
% increase	4	-	-	-	-	-	-	-	-	-
Senior Managers of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	-	-
% increase	4	-	-	-	-	-	-	-	-	-
Other Staff of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-	-
% increase	4	-	-	-	-	-	-	-	-	-
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		364 976	348 767	372 409	369 292	402 177	402 177	412 879	412 879	412 880
% increase	4		(4.4%)	6.8%	(0.8%)	8.9%	-	2.7%	0.0%	0.0%
TOTAL MANAGERS AND STAFF	5,7	358 513	342 377	366 255	363 137	395 959	395 959	406 374	406 374	406 375

The budgeted allocation for employee related costs for the 2025/26 financial year totals R406million, which equals 38% of the total operating expenditure. Which is below the norm of 40%. The salaries have been increased by 4.3% as per circular 129.

The municipality has been very strict in budgeting for overtime and standby, the budget has been strictly set at R16 million, saving the municipality over R15 million in overtime, s and T and standby allowances. An exemption application has been made on overtime, for all employees above the threshold. Our aim is to do away completely with overtime in the long run. Senior managers have created a plan to reduce and effectively control overtime as well as to re consider employees eligible for standby. Shift policy to be implemented. Employees are calculated based on Februarys year to date figures.

Remuneration of Councillors

The cost associated with the remuneration of councillors is determined by the Minister of Cooperative 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.

The remuneration of councillors has not been increased but had to be increased as the previous budget had catered for warm bodies, and there has since been new appointments.

Debt Impairment

The cost of debt impairment is a non-cash flow item; it is informed by the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues. Debt impairment and irrecoverable debts written off have been calculated using adjustment budget figures as year to date is unavailable as its only calculated at year end.

The municipality has implemented the installation of prepaid water meters which, will improve the recoverability of service charges. The past the audited financial years has shown a trend of nearly 20% increase of consumer debtors; this trend is expected to decline.

Provision for depreciation and asset impairment

Table 10 Depreciation per asset class

Segment Desc	2026 Draft Budget	2027 Draft Budget	2028 Draft Budget
COMPUTER HARDWARE DEPRECIATION	124 507,44	130 110,27	133 363,03
FURNITURE & OFFICE EQUIPMENT DEPRECIATION	24 714,61	25 826,77	26 472,44
MOTOR VEHICLE DEPRECIATION	1 383 913,94	1 447 573,98	1 511 267,23
COMPUTER HARDWARE DEPRECIATION	105 246,68	109 982,78	112 732,35
FURNITURE & FITTINGS DEPRECIATION	59 200,02	61 864,02	63 410,62
MOTOR VEHICLES DEPRECIATION	129 209,62	135 024,05	138 399,65
SANITATION INFRASTRUCTURE DEPRECIATION	9 517 569,00	9 955 377,17	10 393 413,77
COMPUTER HARDWARE DEPRECIATION	30 699,86	32 081,36	32 883,39
Expenditure:Depreciation and Amortisation:Depreciation	952 678,19	995 548,71	1 020 437,42
FURNITURE & OFFICE EQUIPMENT DEPRECIATION	46 883,95	48 993,73	50 218,57
MOTOR VEHICLE DEPRECIATION	58 936,93	61 589,10	63 128,82
WATER INFRASTRUCTURE DEPRECIATION	73 056 805,45	76 420 620,07	79 846 694,55
BUILDING DEPRECIATION	385 548,16	402 897,82	412 970,27
Expenditure:Depreciation and Amortisation:Depreciation - Computer hardware	19 104,16	19 963,84	20 462,94
Depreciation - motor vehicles	198 731,66	207 674,59	212 866,45
Depreciation - motor vehicles	23 865,84	24 939,80	25 563,30
FURNITURE & OFFICE EQUIPMENT DEPRECIATION	117 880,13	123 184,73	126 264,35
MOTOR VEHICLE DEPRECIATION	781 428,78	816 593,08	837 007,90
Expenditure:Depreciation and Amortisation:Depreciation - Computer hardware	18 001,69	18 811,77	19 282,06
FURNITURE AND OFFICE EQUIPMENT DEPRECIATION	15 376,03	16 067,95	16 469,65
FURNITURE & OFFICE EQUIPMENT DEPRECIATION	109 557,36	114 487,44	117 349,63

Depreciation has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the asset consumption. Budget appropriations in this regard total 87 million for the 2025/26 financial and equates to 8% of the total operating expenditure. The projected depreciation should inform the contribution towards the asset maintenance plan. Calculations for the provision as follows: Depreciation has been calculated using the Feb year to date figure.

Inventory Consumed

The reduction in the budget for the 2025/26 financial year is due to the reduced cost of fuel and oil, as well as the reduction in the budget for chemicals. The municipality is in financial distress and had to commit to budget cuts. The municipality is in talks with Umgeni Water and if the Tripartite agreement is successful there will be a further reduction in respect of the purchase of chemicals as this will be for the account of Uthukela/Umgeni Water. The said agreement is 60% complete and will have an impact on the financial situation of the municipality if successful. Unfortunately, the municipality cannot afford to inflate the budget.

When compiling the budget a need analysis was done, zero-based budgeting was applied as well as cost containment strategies and the harsh reality of bankruptcy.

Table 11 Other Materials

Segment Desc	2026 Draft Budget	2027 Draft Budget	2028 Draft Budget
Cleaning materials (200/260090)	300 000,00	313 800,00	327 607,20
Fuel & Oil. (510/260180)	10 000 000,00	10 000 000,00	10 000 000,00
Water Purchase (510/255050)	37 190 421,33	38 863 990,29	39 835 590,05
Stationery (510/260340)	100 000,00	104 600,00	109 202,40
OM Chemicals	20 000 000,00	20 000 000,00	20 000 000,00
Disaster relief stock	800 000,00	-	-
Stationery (300/260340)	100 000,00	104 600,00	109 202,40
Stationery (200/260340)	200 000,00	209 200,00	218 404,80
Stationery (105/260340)	100 000,00	104 600,00	109 202,40

UTHUKELA DISTRICT MUNICIPALITY DRAFT BUDGET 2025/2026

Contracted services

Some of the items such as repairs and maintenance, operational grants expenditure are part of contracted service

An amount of R2.9 million for rural roads has also been included in contracted services and FMG of R1.2

Table 12 Contracted Services

Segment Desc	2026 Draft Budget	2027 Draft Budget	2028 Draft Budget
screening services	100 000,00	104 500,00	107 112,50
Maintenance of buildings and facilities (200/2	1 500 000,00	1 567 500,00	1 606 687,50
Training	300 000,00	313 500,00	321 337,50
Doctors Examinations (200/260343)	200 000,00	209 000,00	214 225,00
Security (200/235525)	25 045 056,00	25 045 056,00	25 045 056,00
Health Professional Council of South Africa	200 000,00	209 000,00	214 225,00
Blue Drop (408/235215)	2 000 000,00	2 000 000,00	2 000 000,00
Vaccinations	1 000 000,00	1 000 000,00	1 000 000,00
Pipelines & portable water maintenance (510	15 000 000,00	15 675 000,00	16 066 875,00
Contracted Services:Consultants and Profess	2 918 000,00	3 052 000,00	3 188 000,00
Vehicle Repairs Outsourced. (510/235080)	8 000 000,00	8 360 000,00	8 569 000,00
Repairs to Pumps (510/235120)	39 000 000,00	39 000 000,00	39 000 000,00
Electrical (510/255045)	1 000 000,00	1 000 000,00	1 000 000,00
Business and Advisory:Business and Financia	5 000 000,00	5 225 000,00	5 355 625,00
Outstanding Debt - Collection Fees (300/2250	500 000,00	522 500,00	535 562,50
Computer Programs (300/260)	8 833 617,25	9 231 130,03	9 461 908,28
FMG. (300/260135)	1 200 000,00	1 200 000,00	1 200 000,00
Chemical Analysis Laboratory	1 000 000,00	1 045 000,00	1 071 125,00
Legal Fees (200/260240)	6 000 000,00	6 000 000,00	6 000 000,00
VIP. Security (100/235525)	5 167 800,00	5 167 800,00	5 167 800,00
GIS. Programmes (405/406360)	825 000,00	825 000,00	825 000,00
Audit Committee (105/260027)	372 858,34	389 636,96	399 377,89

The provision for contracted services has been decreased from the 25/26 budget, this is due to unfavourable funding plan. The municipality has prioritised the provision for the refurbishment and the maintenance of infrastructure, the budget repairs to pumps of R39 million for the municipality meet the norm of 8% also the extended commitment to the refurbishment to the refurbishment of assets. The municipality is bankrupt and cannot afford to budget upwards but must be considerate not to destabilise service delivery. The municipality will also be procuring its own tools, and using its employees for repairs and maintenance, which is also a major cost saving in pumps, pipelines and building maintenance as we won't be relying on consultants frequently. The municipality conducted a needs analysis of its contracted services, and a zero-based budgeting approach was applied.

Table 12.1 Contracts

UTHUKELA DISTRICT MUNICIPALITY DRAFT BUDGET 2025/2026

Choose name from list - Supporting Table SA32 List of external mechanisms

External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand
SINETHEMBA CONSTRUCTION	Mths	19	SEWER RETICULATION AND PUMP STATION PHASE	25 October 2025	38 488
ROSCO FAMILY TRUST	Mths	36	ACCREDITED SERVICE PROVIDER TO PROVIDE LAB	31 August 2027	8 419
APHELELE N	Mths	36	PANEL OF MEDICAL DOCTORS FOR THE PROVISION	18 December 2027	
ODIRE OPERATIONAL HEALTH	Mths	36	PANEL OF MEDICAL DOCTORS FOR THE PROVISION	18 December 2027	
XOLANI NTSHANGASE	Mths	36	PANEL OF MEDICAL DOCTORS FOR THE PROVISION	18 December 2027	
TMMMA HEALTH INCORPORATED	Mths	36	PANEL OF MEDICAL DOCTORS FOR THE PROVISION	18 December 2027	
DR AYANDA AND DAUGHTERS	Mths	36	PANEL OF MEDICAL DOCTORS FOR THE PROVISION	18 December 2027	
MOON MAGIC	Mths	36	LEASE OF PROPERTY TO UTHUKELA DISTRICT MUN	28 February 2027	125
MAXIMUM PROFIT RECOVERY	Mths	36	APPOINTMENT OF SERVICES PROVIDER FOR VAT R	20 July 2025	24 732
GARLICKE BOUSFIELD	Mths	36	THE APPOINTMENT OF PANEL OF ATTORNEYS/LAW	11 December 2027	2 868
SINETHEMBA CONSTRUCTION	Mths	19	KWANOBAMBA/EZITENDENI SANITATION PROJECT S	25 October 2025	38 488
MGAMULE CONSULTING ENGINEERS	Mths	36	PANEL OF CONSULTING ENGINEERS FOR THE PRO	29 November 2025	12 702
TLS ENGINEERS AND PROJECTS MANAGEMENT	Mths	36	PANEL OF CONSULTING ENGINEERS FOR THE PRO	30 November 2025	24 087
IMPANDE CONSULTING	Mths	36	PANEL OF CONSULTING ENGINEERS FOR THE PRO	01 December 2025	25 457
SYDWALT	Mths	36	PANEL OF CONSULTING ENGINEERS FOR THE PRO	02 December 2025	179 610
JOAT CONSULTING	Mths	36	PANEL OF CONSULTING ENGINEERS FOR THE PRO	03 December 2025	720
PAWACONS	Mths	36	PANEL OF CONSULTING ENGINEERS FOR THE PRO	04 December 2025	46 371
OWETHU OWABO CONSULTING	Mths	36	PANEL OF CONSULTING ENGINEERS FOR THE PRO	05 December 2025	41 394
DLV PROJECTS MANAGERS AND ENGINEERS	Mths	36	PANEL OF CONSULTING ENGINEERS FOR THE PRO	06 December 2025	220 631
JG AFRICA	Mths	36	PANEL OF CONSULTING ENGINEERS FOR THE PRO	07 December 2025	9 160
ECA CONSULTING	Mths	36	PANEL OF CONSULTING ENGINEERS FOR THE PRO	08 December 2025	36 681
WMN CONSULTING	Mths	36	PANEL OF CONSULTING ENGINEERS FOR THE PRO	09 December 2025	
ROYAL HASKONING DHV	Mths	36	PANEL OF CONSULTING ENGINEERS FOR THE PRO	10 December 2025	18 596
PERFECT DEFECTS	Mths	18	EZAKHENI AC PIPE REPLACEMENT (PHASE 2 EZAKH	11 August 2025	32 449
SINETHEMBA CONSTRUCTION	Mths	12	LADYSMITH AC PIPE REPLACEMENT PHASE 1	11 April 2025	30 946
SIWA CONSULTING ENGINEERS	Mths	36	PANEL OF ACCREDITED SERVICE PROVIDERS TO S	18 January 2026	22 926
SILOMO TRADING & PROJECTS	Mths	36	PANEL OF ACCREDITED SERVICE PROVIDERS TO S	18 January 2026	7 413
MOTAGANE CHEM	Mths	36	PANEL OF ACCREDITED SERVICE PROVIDERS TO S	18 January 2026	2 442
RHEOCHEM	Mths	36	PANEL OF ACCREDITED SERVICE PROVIDERS TO S	18 January 2026	231
INSIKAYAMANTUNGWA TRADING	Mths	36	PANEL OF ACCREDITED SERVICE PROVIDERS TO S	18 January 2026	14 462
ZENZELEWENA TRADING	Mths	36	PROVISION OF VIP PROTECTION SERVICES TO UTH	08 November 2025	20 950
MUNSOFT	Mths	36	MUNSOFT FINANCIAL SOFTWARE - INFORMATION P	30 June 2027	47 702
MICROSOFT	Mths	128	MICROSOFT SOFTWARE LICENSING FOR UTHUKELA D	28 February 2025	6 434
SAGE VIP/KEVRO TRADING PTY LTD0	Mths	100	SAGE VIP SOFTWARE LICENSING FOR UTHUKELA D	28 February 2025	53
TELKOM SA	Mths	154	CALL CENTRE AND SWITCH BOARD NUMBER	28 February 2025	1 675
HUGE TELKOM	Mths	33	ROOTING TTELEPHONE SERVICES	28 February 2025	51
MTN SA	Mths	30	CELL PHONE SERVICES/MOBILE COMMUNICATION	31 March 2026	2 194
K2 COMMODITIES (PTY)Ltd	Mths	45716	TELEPHONE SOFTWARE SYSTEM FOR UTHUKELA D	28 February 2025	331
REOYO TRADING ENTERPRISE	Mths	36	LEASING OF VEHICLE WORKSHOP FOR UTHUKELA D	30 September 2026	5 481
REOYO TRADING ENTERPRISE	Mths	36	PANEL OF SERVICE PROVIDER FOR REPAIRS,SERV	08 January 2027	
ACE MOTOR SPARES	Mths	36	PANEL OF SERVICE PROVIDER FOR REPAIRS,SERV	08 January 2027	
KZN SERVICE CENTRE	Mths	36	PANEL OF SERVICE PROVIDER FOR REPAIRS,SERV	08 January 2027	2 188
INSIMBI AUTO SERVICES	Mths	36	PANEL OF SERVICE PROVIDER FOR REPAIRS,SERV	08 January 2027	78
SUNISH TRADING	Mths	36	PANEL OF SERVICE PROVIDER FOR REPAIRS,SERV	08 January 2027	
DAVES PANELBEATER & TOWING	Mths	36	PANEL OF SERVICE PROVIDER FOR REPAIRS,SERV	08 January 2027	
ZAMISANANI PROJECTS	Mths	14	OKHAHLAMBA WARD 2,3,14 WATER SUPPLY VIMBUK	18 August 2025	23 804
LETHOKUHLE INVESTMENTS	Mths	14	OKHAHLAMBA WARD 2,3,14 WATER SUPPLY VIMBUK	18 August 2025	24 998
DLADLA & KHAN AUCTIONEERS	Mths	36	APPOINTMENT OF SERVICE PROVIDER FOR AUCTION	01 May 2027	
ZNMS TRADING	Mths	36	PANEL OF SERVICE PROVIDERS FOR THE MAINTEN	18 June 2027	17 480
TIMMAS HOLDING GROUP (PTY)LTD	Mths	36	PANEL OF SERVICE PROVIDERS FOR THE MAINTEN	18 June 2027	
RASP CONSULTANT I&A VIVAH TECHNOLOGIES	Mths	36	PANEL OF SERVICE PROVIDERS FOR THE MAINTEN	18 June 2027	
IQHAWA ELIHLE TRADING	Mths	36	PANEL OF SERVICE PROVIDERS FOR THE MAINTEN	18 June 2027	
AB PROJECTS JV METSI WORX	Mths	36	PANEL OF SERVICE PROVIDERS FOR THE MAINTEN	18 June 2027	
GINTI PROJECTS	Mths	36	PANEL OF SERVICE PROVIDERS FOR THE MAINTEN	18 June 2027	
AMAGWABA CONSTRUCTION	Mths	36	PANEL OF SERVICE PROVIDERS FOR THE MAINTEN	18 June 2027	
NQABELE PROJECTS & INVESTMENTS	Mths	36	PANEL OF SERVICE PROVIDERS FOR THE MAINTEN	18 June 2027	
GODIDE ENGINEERING SERVICES	Mths	36	PANEL OF SERVICE PROVIDERS FOR THE MAINTEN	18 June 2027	175
R BUSISIWE	Mths	36	PANEL OF SERVICE PROVIDERS FOR THE MAINTEN	18 June 2027	1 963
MBODLA SECURITY	Mths	36	PANEL OF SERVICE PROVIDERS FOR THE PROVISIO	18 June 2027	4 376
QUICK SAVE SECURITY	Mths	36	PANEL OF SERVICE PROVIDERS FOR THE PROVISIO	18 June 2027	
SIYEJABULA SECURITY	Mths	36	PANEL OF SERVICE PROVIDERS FOR THE PROVISIO	18 June 2027	9 235
IBHUBESI TRADING	Mths	36	PANEL OF SERVICE PROVIDERS FOR THE PROVISIO	18 June 2027	
NOMASULUMANE TRADING	Mths	36	PANEL OF SERVICE PROVIDERS FOR THE PROVISIO	18 June 2027	
ZITROSI SECURITY	Mths	36	PANEL OF SERVICE PROVIDERS FOR THE PROVISIO	18 June 2027	6 309
SURPRISE HOLDING	Mths	36	PANEL OF SERVICE PROVIDERS FOR THE PROVISIO	18 June 2027	4 800
VAST PROTECTION SOLUTIONS	Mths	36	PANEL OF SERVICE PROVIDERS FOR THE PROVISIO	18 June 2027	7 656
REAL SECURITY	Mths	36	PANEL OF SERVICE PROVIDERS FOR THE PROVISIO	18 June 2027	
LIYANELISA SECURITY	Mths	36	PANEL OF SERVICE PROVIDERS FOR THE PROVISIO	18 June 2027	
SINOQOBILE SECURITY	Mths	36	PANEL OF SERVICE PROVIDERS FOR THE PROVISIO	18 June 2027	
SIYAJULUKA PROTECTION SERVICES	Mths	36	PANEL OF SERVICE PROVIDERS FOR THE PROVISIO	18 June 2027	
ZENZELEWENA PROTECTION SERVICES	Mths	36	PANEL OF SERVICE PROVIDERS FOR THE PROVISIO	18 June 2027	7 565
CALVIN & FAMILY SECURITY	Mths	36	PANEL OF SERVICE PROVIDERS FOR THE PROVISIO	18 June 2027	
MBOMA SECURITY	Mths	36	PANEL OF SERVICE PROVIDERS FOR THE PROVISIO	18 June 2027	11 458
SIZOWAKHA SECURITY AND CLEANING SERVICES	Mths	36	PANEL OF SERVICE PROVIDERS FOR THE PROVISIO	18 June 2027	
AET SECURITY	Mths	36	PANEL OF SERVICE PROVIDERS FOR THE PROVISIO	18 June 2027	6 552
NOBANTU GUARDING	Mths	36	PANEL OF SERVICE PROVIDERS FOR THE PROVISIO	18 June 2027	
VELA TECH SECURITY SERVICES	Mths	36	PANEL OF SERVICE PROVIDERS FOR THE PROVISIO	18 June 2027	
NOMINGWENYA SECURITY	Mths	36	PANEL OF SERVICE PROVIDERS FOR THE PROVISIO	18 June 2027	
WISE SECURITY	Mths	36	PANEL OF SERVICE PROVIDERS FOR THE PROVISIO	18 June 2027	
NKOSISHENG VIP PROTECTION	Mths	36	PANEL OF SERVICE PROVIDERS FOR THE PROVISIO	18 June 2027	
MVULA ENFORCEMENT SERVICES	Mths	36	PANEL OF SERVICE PROVIDERS FOR THE PROVISIO	18 June 2027	
UYABONWA SECURITY SERVICES CC	Mths	36	PANEL OF SERVICE PROVIDERS FOR THE PROVISIO	18 June 2027	
MADUDLA CONTRACTORS	Mths	13	KWANOBAMBA/EZITENDENI REFURBISHMENT OF S	07 October 2025	13 913

UTHUKELA DISTRICT MUNICIPALITY DRAFT BUDGET 2025/2026

GOING PLACES CONSTRUCTION & PROJECTS 109 C	Mths	12	THE PANEL FOR THE SUPPLY OF STATIONERY	27 November 2025
GOING YHS	Mths	12	THE PANEL FOR THE SUPPLY OF STATIONERY	27 November 2025
GULIWE HOLDINGS	Mths	12	THE PANEL FOR THE SUPPLY OF STATIONERY	27 November 2025
IMINI WELLNESS	Mths	12	THE PANEL FOR THE SUPPLY OF STATIONERY	27 November 2025
MINGAYE HOLDINGS	Mths	12	THE PANEL FOR THE SUPPLY OF STATIONERY	27 November 2025
PLAN B LIFESTYLE	Mths	12	THE PANEL FOR THE SUPPLY OF STATIONERY	27 November 2025
SIMANGETHE TRADINGS	Mths	12	THE PANEL FOR THE SUPPLY OF STATIONERY	27 November 2025
SILOMO TRADING AND PROJECTS	Mths	12	THE PANEL FOR THE SUPPLY OF STATIONERY	27 November 2025
ZTS GROUP	Mths	12	THE PANEL FOR THE SUPPLY OF STATIONERY	27 November 2025
A MBONA ATTORNEYS	Mths	36	THE APPOINTMENT OF PANEL OF ATTORNEYS/LAW	11 December 2027
FREEDOM AND ASSOCIATES	Mths	36	THE APPOINTMENT OF PANEL OF ATTORNEYS/LAW	11 December 2027
GARLICHE BOUSFIELD	Mths	36	THE APPOINTMENT OF PANEL OF ATTORNEYS/LAW	11 December 2027
FARREL INCORPORATED	Mths	36	THE APPOINTMENT OF PANEL OF ATTORNEYS/LAW	11 December 2027
MAMATHELA ATTORNEYS	Mths	36	THE APPOINTMENT OF PANEL OF ATTORNEYS/LAW	11 December 2027
MAVIMBELA ATTORNEYS	Mths	36	THE APPOINTMENT OF PANEL OF ATTORNEYS/LAW	11 December 2027
MAZIBUKO Z AND ASSOCIATES	Mths	36	THE APPOINTMENT OF PANEL OF ATTORNEYS/LAW	11 December 2027
MOHALE INCORPORATED	Mths	36	THE APPOINTMENT OF PANEL OF ATTORNEYS/LAW	11 December 2027
NKOSI SABELO INCORPORATED	Mths	36	THE APPOINTMENT OF PANEL OF ATTORNEYS/LAW	11 December 2027
NOMPUMELELO HADEBE INCORPORATED	Mths	36	THE APPOINTMENT OF PANEL OF ATTORNEYS/LAW	11 December 2027
NS NTANZI ATTORNEYS	Mths	36	THE APPOINTMENT OF PANEL OF ATTORNEYS/LAW	11 December 2027
PHIRI COMBRICK	Mths	36	THE APPOINTMENT OF PANEL OF ATTORNEYS/LAW	11 December 2027
PHUNGULA ATTORNEYS	Mths	36	THE APPOINTMENT OF PANEL OF ATTORNEYS/LAW	11 December 2027
SINAKO ATTORNEYS	Mths	36	THE APPOINTMENT OF PANEL OF ATTORNEYS/LAW	11 December 2027
SHEPSTONE & WYLE ATTORNEYS	Mths	36	THE APPOINTMENT OF PANEL OF ATTORNEYS/LAW	11 December 2027
SIBANDA	Mths	36	THE APPOINTMENT OF PANEL OF ATTORNEYS/LAW	11 December 2027
SIBEKO INCORPORATED	Mths	36	THE APPOINTMENT OF PANEL OF ATTORNEYS/LAW	11 December 2027
SLK ATTORNEYS	Mths	36	THE APPOINTMENT OF PANEL OF ATTORNEYS/LAW	11 December 2027
THELANI GODI KOPITSO	Mths	36	THE APPOINTMENT OF PANEL OF ATTORNEYS/LAW	11 December 2027
THEMBA KHESWA NXUMALO	Mths	36	THE APPOINTMENT OF PANEL OF ATTORNEYS/LAW	11 December 2027
THOKOZANI HADEBE	Mths	36	THE APPOINTMENT OF PANEL OF ATTORNEYS/LAW	11 December 2027
ZUMA AND PARTNERS	Mths	36	THE APPOINTMENT OF PANEL OF ATTORNEYS/LAW	11 December 2027
KRIBASNI NAIDDOO	Mths	36	THE APPOINTMENT OF PANEL OF ATTORNEYS/LAW	11 December 2027
FERLA INCORPORATED	Mths	36	THE APPOINTMENT OF PANEL OF ATTORNEYS/LAW	11 December 2027

Other Expenditure

Other expenditure forms 18% of the total operating expenditure. Items that form the total cost other expenditure:

Table 13.1 Other Expenditure Operational Costs

Segment Desc	2026 Draft Budget	2027 Draft Budget	2028 Draft Budget
Telephone (200/260540)	1 691 408,41	1 767 521,79	1 811 709,84
Advertising (200/260020)	300 000,00	313 500,00	321 337,50
Electricity and water (municipal services) (200/260020)	42 851 010,43	44 822 156,91	46 794 331,81
Protective Clothing (408/260347)	4 000 000,00	4 000 000,00	4 000 000,00
Pauper Burial GE	500 000,00	500 000,00	500 000,00
Electricity (510/255040)	100 190 090,86	104 698 644,95	107 316 111,07
Bank Charges (300/260047)	193 321,66	202 021,13	207 071,66
Vehicle Licencing - Fleet Management (300/260047)	800 000,00	836 000,00	856 900,00
Travel Councillors own transport (100/260534)	265 355,00	277 295,98	284 228,37
Insurance (105/235500)	5 000 000,00	5 000 000,00	5 000 000,00
Accommodation (105/260534)	500 000,00	500 000,00	500 000,00
Audit fees	4 698 000,00	4 909 410,00	5 032 145,25

UTHUKELA DISTRICT MUNICIPALITY DRAFT BUDGET 2025/2026

Segment Desc	2026 Draft Budget	2027 Draft Budget	2028 Draft Budget
Rental Office Machines. (200/260442)	800 000,00	836 000,00	856 900,00
Plant & Equipment Hire (510/235510)	7 000 000,00	5 000 000,00	5 000 000,00

To minimise the cost of day-to-day operating expenses the municipality has put control measures such as that the staff has to pay for their private calls, and this has resulted in decline in telephone expenses. The municipality has also reviewed the cell phone allowances for staff based in the main offices to reduce costs. In terms of the MFMA circular No.55 general expenditure should not exceed 10% of total expenditure however it must be noted the budget for electricity is R100 million due to the high electricity usage in the water treatment plants. The municipality will also be reviewing all readings from Eskom to ensure the accuracy thereof. This electricity has been correctly classified as other expenditure. It cannot be classified as bulk as electricity is not a trading service for the municipality.

Rental of offices has also been cut out as a cost saving measure. SDL and travel also form part of other expenditure. The municipality is also looking at netting of accounts with government departments to reduce the burden of our creditors.

1.5.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2025/26 budget provides for in asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the Municipality.

The following table lists the total anticipated cost for repairs and maintenance on infrastructure and assets for the year 2025/26. It must be noted that the municipality has identified all the shortcomings associated with neglecting capital assets such as infrastructure thus wishes to increase provision for repairing and maintenance of capital assets. Treasury has warned against low budget allocation towards maintenance but subsequently the municipality cannot afford such allocations due to its funding position.

Table 14.1 Repairs and maintenance per asset class SA34c

Electrical (510/255045)	1 000 000,00	1 000 000,00	1 000 000,00
Pipelines & portable water maintenance (510)	15 000 000,00	15 675 000,00	16 066 875,00
Repairs to Pumps (510/235120)	39 000 000,00	39 000 000,00	39 000 000,00

Table 14.2 Repairs and maintenance per asset class SA34c – Refurbishment/ Upgrade Projects

The water services department will employ a planned maintenance plan in order to prevent emergency repairs which often result in excessive expenditure.

The EPWP grant has also been dedicated towards contracting employees who be responsible for to the General Water/Sewer and Reticulation.

Due to insufficient funds the municipality cannot meet the recommended norm of 8% of PPE. As part of the engagements with treasury the municipality was advised to apply to MIG and WSIG donors to utilise a larger portion of the infrastructure grants for refurbishments.

1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services, the households are required to register in terms of the Municipality's Indigent Policy.

In the 2025/26 financial year it is anticipated that R6 million will be allocated towards the provision of free basic services also noting its facing challenges with regards to quantifying standpipes. This budget will also cater for the delivery of water to communities that lack suitable water infrastructure.

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.

1.6 CAPITAL EXPENDITURE

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

Table 15 2025/26 Medium-term capital budget per vote

UTHUKELA DISTRICT MUNICIPALITY DRAFT BUDGET 2025/2026

	Funding Plan			
R thousand	2024/25	2025/26	2026/27	2027/28
Capital Expenditure - Functional				
Governance and administration	2 000 000,00	2 500 000,00	2 000 000,00	2 000 000,00
Executive and council				
Finance and administration	2 000 000,00	2 500 000,00	2 000 000,00	2 000 000,00
Internal audit				
Community and public safety	-			
Community and social services				
Sport and recreation				
Public safety				
Housing				
Health				
Economic and environmental services	-			
Planning and development				
Road transport				
Environmental protection				
Trading services	242 240 550,00	269 949 298,54	293 480 519,48	316 847 619,05
Energy sources				
Water management	242 240 550,00	269 949 298,54	293 480 519,48	316 847 619,05
Waste water management				
Waste management				
Other				
Total Capital Expenditure - Functional	244 240 550,00	272 449 298,54	295 480 519,48	318 847 619,05
Funded by:				
National Government	241 572 477,00	269 949 298,54	293 480 519,48	316 847 619,05
Provincial Government				
District Municipality				
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institu				
Transfers recognised - capital	241 572 477,00			
Borrowing				
Internally generated funds	2 668 073,00	2 500 000,00	2 000 000,00	2 000 000,00
Total Capital Funding	244 240 550,00	272 449 298,54	295 480 519,48	318 847 619,05

Due to financial constraints the capital budget is focused mainly on water infrastructure which is funded by national government grants amounting to R269 million with exclusion of 15.5 % vat. Further amounts of R2.5 million have been budgeted internally for furniture and equipment as well as computer equipment.

Due to municipalities funding position, it cannot afford capital purchases.

Table 16 Infrastructure Grants

CONDITIONAL GRANTS -CAPITAL				
GRANT NAME	2024/2025 (R'000)	2025/2026 (R'000)	2026/2027 (R'000)	2027/2028 (R'000)
Municipal Infrastructure Grant	189 429	211 791	238 970	250 459
Water Services Infrastructure Grant	100 000	100 000	100 000	115 500
Total	289 429	311 791	338 970	365 959

Table 17 MIG Capital Projects

MIG capital projects	Vat Inclusive	vat exclusive		
Ekuvukeni Regional Bulk Water Supply - Upgrade Oliphantskop	18 000 000,00	15 584 415,58	15 584 415,58	15584415,58
IE Okhahlamba Ward 2 3 14 Bulk Water Supply & Reticulation	20 500 000,00	17 748 917,75	17 748 917,75	17748917,75
DISTRICT WIDE VIP TOILETS	20 042 687,81	17 352 976,46	17 352 976,46	27300162,61
Weenen/Ezitendeni Sanitation Phase 1B sewer retic	20 500 000,00	17 748 917,75	17 748 917,75	17748917,75
Bhekuzulu Ephangwini Water Supply (Phase 5 7 8)	56 315 763,00	48 758 236,36	48 758 236,36	48758236,36
Refurbishment and upgrade projects	10 300 000,00	8 917 748,92	26 233 766,23	26233766,23
Kwanobamba/Ezitendeni (Weenen) water supp and retic	17 000 000,00	14 718 614,72	14 718 614,72	14718614,72
CE Langkloof WTW & Bulk Reticulation Network Project	18 206 891,00	15 763 541,99	15 763 541,99	15763541,99
CE Bergville WTW & Bulk Water Supply Phase 1	10 076 098,00	8 723 894,37	14 939 098,00	14 939 098,00
Umhlumayo Extension	20 850 000,00	18 051 948,05	18 051 948,05	18051948,05
	211 791 439,81	183 369 211,96	206 900 432,90	216 847 619,05

Table 18 WSIG Capital Projects

WSIG capital projects	Vat inclusive	Vat Exclusive		
Steadville WCDM	15 000 000,00	12 987 012,99	12 987 012,99	13 043 478,26
CE Ezakheni WCDM Project	7 000 000,00	6 060 606,06	6 060 606,06	6 086 956,52
IE Ladysmith AC Pipe Replacement Project	15 000 000,00	12 987 012,99	12 987 012,99	15 652 173,91
SPRING PROTECTION DISTRICT WIDE	20 000 000,00	17 316 017,32	17 316 017,32	17 391 304,35
Bergville AC replacement	15 000 000,00	12 987 012,99	12 987 012,99	13 419 913,42
Zwelisha/Moyeni Uograde	13 000 000,00	11 255 411,26	11 255 411,26	17 090 156,22
Citi-OS Water Infrastructure	15 000 000,00	12 987 012,99	12 987 012,99	17 316 017,32
	100 000 000,00	86 580 086,58	86 580 086,58	100 000 000,00

1.7 ANNUAL BUDGET TABLES

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 2025/26 DRAFT budget and MTREF as approved by the Council.

UTHUKELA DISTRICT MUNICIPALITY DRAFT BUDGET 2025/2026

Table 19 MBRR Table A1 - Budget Summary

Choose name from list - Table A1 Budget Summary										
Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Financial Performance										
Property rates	—	—	—	—	—	—	—	—	—	—
Service charges	247 669	221 773	280 626	334 578	291 842	291 842	291 842	309 366	327 928	347 603
Investment revenue	4 203	5 958	8 567	10 482	7 007	7 007	7 007	6 779	7 091	7 403
Transfer and subsidies - Operational	484 901	527 936	581 179	620 501	632 192	632 192	632 192	665 135	695 840	727 317
Other own revenue	111 678	104 061	74 006	65 430	73 540	73 540	73 540	76 905	81 499	86 343
Total Revenue (excluding capital transfers and contributions)	848 451	859 728	944 368	1 030 991	1 004 581	1 004 581	1 004 581	1 058 186	1 112 348	1 168 666
Employee costs	358 513	342 377	366 255	363 137	395 959	395 959	395 959	406 374	406 374	406 375
Remuneration of councillors	6 463	6 389	6 154	6 155	6 219	6 219	6 219	6 505	6 505	6 505
Depreciation and amortisation	68 257	82 473	86 932	73 910	84 528	84 528	84 528	87 160	91 169	95 181
Interest	—	4 963	1 829	—	6 456	6 456	6 456	6 734	7 044	7 354
Inventory consumed and bulk purchases	48 794	28 065	57 423	51 060	92 497	92 497	92 497	68 790	69 701	70 709
Transfers and subsidies	—	3 120	3 285	5 830	0	0	0	1 600	—	—
Other expenditure	279 715	319 589	363 595	467 140	507 886	507 886	507 886	479 949	495 339	509 565
Total Expenditure	761 742	786 976	886 473	967 232	1 093 544	1 093 544	1 093 544	1 057 112	1 076 132	1 095 688
Surplus/(Deficit)	86 708	72 752	58 895	63 759	(88 963)	(88 963)	(88 963)	1 073	36 216	72 978
Transfers and subsidies - capital (monetary allocations)	—	—	160 949	291 529	277 808	277 808	134 960	311 791	338 970	365 959
Transfers and subsidies - capital (in-kind)	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	86 708	72 752	219 845	355 288	188 846	188 846	45 997	312 864	375 186	438 937
Share of Surplus/Deficit attributable to Associate	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) for the year	86 708	72 752	219 845	355 288	188 846	188 846	45 997	312 864	375 186	438 937
Capital expenditure & funds sources										
Capital expenditure	222 304	169 706	207 976	308 529	244 241	244 241	127 469	272 449	295 480	318 848
Transfers recognised - capital	208 775	168 116	203 467	291 529	241 573	241 573	126 177	269 949	293 481	316 848
Borrowing	—	—	—	—	—	—	—	—	—	—
Internally generated funds	11 598	171	682	17 000	2 668	2 668	764	2 500	2 000	2 000
Total sources of capital funds	220 373	168 287	204 148	308 529	244 241	244 241	126 941	272 449	295 480	318 848
Financial position										
Total current assets	480 153	514 466	444 555	69 879	257 116	257 116	661 276	366 024	329 368	540 454
Total non current assets	3 182 027	3 312 185	3 374 830	2 620 048	3 407 263	3 407 263	3 488 602	3 553 775	3 758 086	3 981 753
Total current liabilities	953 899	969 426	958 024	629 890	929 547	929 547	1 012 534	954 808	924 894	920 710
Total non current liabilities	29 012	33 837	33 837	35 360	49 527	49 527	40 776	51 657	51 657	51 657
Community wealth/Equity	2 679 758	2 816 464	2 826 163	2 024 677	2 685 304	2 685 304	2 888 614	2 913 334	3 110 903	3 549 840
Cash flows										
Net cash from (used) operating	1 024 173	797 737	756 563	268 474	167 157	167 157	167 157	253 653	325 895	387 402
Net cash from (used) investing	(239 054)	(194 919)	(222 994)	(308 529)	(244 194)	(244 194)	(244 194)	(272 449)	(295 480)	(318 848)
Net cash from (used) financing	—	—	—	—	—	—	—	—	—	—
Cash/cash equivalents at the year end	830 977	617 188	547 258	(107 356)	(71 322)	(71 322)	(71 322)	(155 765)	(125 350)	(56 796)
Cash backing/surplus reconciliation										
Non current investments	309 388	272 532	133 181	10 431	2 883	2 883	102 731	2 784	—	—
Statutory requirements	(658 202)	(603 562)	(670 822)	(637 139)	(772 027)	(772 027)	(54 517)	(835 718)	(784 695)	(602 519)
Balance - surplus (shortfall)	967 591	876 094	804 003	647 569	774 910	774 910	157 248	838 502	784 695	602 519
Asset management										
Asset register summary (WDV)	2 389 036	2 493 203	2 533 569	2 590 045	3 383 633	3 383 633	3 383 633	3 527 755	3 707 891	3 898 950
Depreciation	68 257	82 473	86 932	73 910	84 528	84 528	84 528	87 160	91 169	95 181
Renewal and Upgrading of Existing Assets	7 786	13 298	17 778	54 833	42 985	42 985	42 985	24 487	30 570	30 570
Repairs and Maintenance	44 550	47 906	89 866	100 378	78 427	78 427	78 427	55 000	55 675	56 067
Free services										
Cost of Free Basic Services provided	—	—	—	—	—	—	—	—	—	—
Revenue cost of free services provided	—	—	—	—	—	—	—	6 561	6 954	7 372
Households below minimum service level										
Water	—	—	—	—	—	—	—	—	—	—
Sanitation/sewerage	—	—	—	—	—	—	—	—	—	—
Energy	—	—	—	—	—	—	—	—	—	—
Refuse	—	—	—	—	—	—	—	—	—	—

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 are reflected on the Financial Performance Budget.
 - ii. 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. Over the MTREF there is progressive improvement in the level of cash-backing of obligations
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the public. The number of services provided by the municipality including free basic services continues to increase.

Table 20 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

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

Functional Classification Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue - Functional										
<i>Governance and administration</i>		564 151	588 511	715 743	691 476	626 150	626 150	728 985	773 477	809 525
Executive and council		—	(116)	—	—	—	—	—	—	—
Finance and administration		564 151	588 627	715 743	691 476	626 150	626 150	728 985	773 477	809 525
Internal audit		—	—	—	—	—	—	—	—	—
<i>Community and public safety</i>		3	(563)	387	60	47	47	49	51	54
Community and social services		—	(595)	345	—	—	—	—	—	—
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Health		3	31	42	60	47	47	49	51	54
<i>Economic and environmental services</i>		—	—	—	—	—	—	—	—	—
Planning and development		—	—	—	—	—	—	—	—	—
Road transport		—	—	—	—	—	—	—	—	—
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		284 297	271 780	389 187	630 984	656 193	656 193	640 943	677 789	725 046
Energy sources		—	—	—	—	—	—	—	—	—
Water management		284 297	271 780	389 187	630 984	656 193	656 193	640 943	677 789	725 046
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		—	—	—	—	—	—	—	—	—
Other	4	—	—	—	—	—	—	—	—	—
Total Revenue - Functional	2	848 451	859 728	1 105 317	1 322 520	1 282 390	1 282 390	1 369 976	1 451 318	1 534 625
Expenditure - Functional										
<i>Governance and administration</i>		195 904	229 295	300 389	430 019	345 888	345 888	246 905	254 619	261 717
Executive and council		60 032	53 701	50 805	51 120	52 428	52 428	26 913	27 191	27 353
Finance and administration		135 872	175 595	249 585	378 898	293 460	293 460	219 991	227 428	234 363
Internal audit		—	—	—	—	—	—	—	—	—
<i>Community and public safety</i>		47 449	45 035	52 641	58 078	62 187	62 187	40 593	40 037	40 178
Community and social services		12 466	11 851	13 103	7 773	20 269	20 269	2 051	1 274	1 287
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		—	—	—	—	—	—	56	56	56
Housing		—	—	—	—	—	—	—	—	—
Health		34 983	33 183	39 538	50 305	41 918	41 918	38 485	38 707	38 836
<i>Economic and environmental services</i>		17 770	18 274	17 131	26 084	15 489	15 489	4 928	3 385	3 418
Planning and development		17 770	18 274	17 131	26 084	15 489	15 489	4 928	3 385	3 418
Road transport		—	—	—	—	—	—	—	—	—
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		500 620	494 372	515 312	453 052	669 980	669 980	764 686	778 092	790 375
Energy sources		—	—	—	—	—	—	—	—	—
Water management		500 620	494 372	515 312	453 052	669 980	669 980	764 686	778 092	790 375
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		—	—	—	—	—	—	—	—	—
Other	4	—	—	—	—	—	—	—	—	—
Total Expenditure - Functional	3	761 742	786 976	885 473	967 232	1 093 544	1 093 544	1 057 112	1 076 132	1 095 688
\$ surplus/(Deficit) for the year		86 708	72 752	219 845	355 288	188 846	188 846	312 864	375 186	438 937

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

- Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.

UTHUKELA DISTRICT MUNICIPALITY DRAFT BUDGET 2025/2026

2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.

Table 17 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Choose name from list - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)										
Vote Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue by Vote	1									
Vote 1 - BUDGET & TREASURE OFFICE		563 853	588 291	715 645	691 476	625 837	625 837	728 658	773 136	809 169
Vote 2 - CORPORATE SERVICES		298	335	98	-	313	313	326	341	356
Vote 3 - OFFICE OF THE MM		-	(116)	-	-	-	-	-	-	-
Vote 4 - PLANNING AND SOCIAL SERVICES		-	(595)	346	-	-	-	-	-	-
Vote 5 - MUNICIPAL HEALTH SERVICES		3	31	42	60	47	47	49	51	54
Vote 6 - WATER, SANITATION & TECHNICAL SERVICES		284 297	271 780	389 187	630 984	656 193	656 193	640 943	677 789	725 046
Vote 7 - MAYORAL AND COUNCIL		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	848 451	859 728	1 105 317	1 322 520	1 282 390	1 282 390	1 389 976	1 451 318	1 534 625
Expenditure by Vote to be appropriated	1									
Vote 1 - BUDGET & TREASURE OFFICE		51 548	79 021	166 615	236 453	153 790	153 790	112 254	117 124	121 705
Vote 2 - CORPORATE SERVICES		91 063	98 234	83 884	142 527	141 550	141 550	106 368	108 930	111 282
Vote 3 - OFFICE OF THE MM		47 139	45 721	42 261	49 374	44 897	44 897	16 294	16 558	16 713
Vote 4 - PLANNING AND SOCIAL SERVICES		23 196	23 731	23 352	27 924	28 514	28 514	6 918	4 594	4 638
Vote 5 - MUNICIPAL HEALTH SERVICES		34 983	33 183	39 538	50 305	41 918	41 918	38 580	38 806	38 937
Vote 6 - WATER, SANITATION & TECHNICAL SERVICES		500 620	494 372	515 312	453 052	669 980	669 980	764 686	778 092	790 375
Vote 7 - MAYORAL AND COUNCIL		13 193	12 713	14 511	7 597	12 895	12 895	12 013	12 028	12 037
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	761 742	786 976	885 473	967 232	1 093 544	1 093 544	1 057 112	1 076 132	1 095 688
Surplus/(Deficit) for the year	2	86 708	72 752	219 845	355 288	188 846	188 846	312 864	375 186	438 937

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.

UTHUKELA DISTRICT MUNICIPALITY DRAFT BUDGET 2025/2026

Table 21 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Choose name from list - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	228 821	207 576	263 410	316 389	272 710	272 710	126 504	289 073	306 417	324 802
Service charges - Waste Water Management	2	18 848	14 196	17 216	18 189	19 132	19 132	12 765	20 293	21 511	22 801
Service charges - Waste Management	2	-	-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services		1 729	1 652	705	632	493	493	384	523	547	571
Agency services		-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		36 488	50 572	30 448	64 535	69 487	69 487	47 005	74 738	79 222	83 976
Interest earned from Current and Non Current Assets		4 203	5 958	8 557	10 482	7 007	7 007	4 440	6 779	7 091	7 403
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		-	-	-	-	-	-	-	-	-	-
Licence and permits		-	-	-	-	-	-	-	-	-	-
Special Rating Levies		-	-	-	-	-	-	-	-	-	-
Operational Revenue		73 448	51 889	275	203	2 934	2 934	3 016	1 071	1 120	1 169
Non-Exchange Revenue											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		12	63	34 577	60	626	626	368	574	601	627
Licences or permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		484 901	527 936	581 179	620 501	632 192	632 192	621 112	665 135	695 840	727 317
Interest		-	-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	(116)	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	8 000	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and cont)		848 451	859 728	944 368	1 030 991	1 004 581	1 004 581	815 596	1 058 185	1 112 348	1 168 868
Expenditure											
Employee related costs	2	358 513	342 377	366 255	363 137	395 959	395 959	272 751	406 374	406 374	406 375
Remuneration of councillors		6 463	6 389	6 154	6 155	6 219	6 219	4 173	6 505	6 505	6 505
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	8	48 794	28 065	57 423	51 060	92 497	92 497	28 296	68 790	69 701	70 709
Debt impairment	3	(11 755)	-	101 389	164 658	80 482	80 482	-	83 943	87 805	91 668
Depreciation and amortisation		68 257	82 473	86 932	73 910	84 528	84 528	55 711	87 160	91 169	95 181
Interest		-	4 963	1 829	-	6 456	6 456	226	6 734	7 044	7 354
Contracted services		160 716	170 125	146 899	171 931	148 132	148 132	68 441	125 162	127 142	128 349
Transfers and subsidies		-	3 120	3 285	5 830	0	0	-	1 600	-	-
Irrecoverable debts written off		-	-	-	-	80 482	80 482	-	83 943	87 805	91 668
Operational costs		130 754	149 464	115 307	130 551	198 789	198 789	38 774	186 900	192 588	197 880
Losses on disposal of Assets		-	-	-	-	-	-	150	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-
Total Expenditure		761 742	788 976	885 473	967 232	1 093 544	1 093 544	488 522	1 057 112	1 076 132	1 095 888
Surplus/(Deficit)		86 708	72 752	58 895	63 759	(88 963)	(88 963)	347 074	1 073	36 216	72 978
Transfers and subsidies - capital (monetary allocations)	6	-	-	160 949	291 529	277 808	277 808	134 960	311 791	338 970	365 959
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		86 708	72 752	219 845	355 288	188 846	188 846	482 034	312 884	375 186	438 937
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		86 708	72 752	219 845	355 288	188 846	188 846	482 034	312 884	375 186	438 937
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		86 708	72 752	219 845	355 288	188 846	188 846	482 034	312 884	375 186	438 937
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	86 708	72 752	219 845	355 288	188 846	188 846	482 034	312 884	375 186	438 937

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

1. Total operating revenue is R1.058 billion in 2025/26 and increases to R1.1 billion by 2027/2028. However, given sound financial management strategies are put in place we can expect an increase in revenues exceeding 6%
2. Total operating expenditure is R1 billion in 2025/26 and escalates to R1.095 billion by 2027/28. However, given sound financial management strategies are put in place we can
3. It must be noted that the municipality has budgeted for a surplus over the MTREF.
4. The municipality was also realistic in providing estimations for costs such as chemicals and the provision for fixing pumps to curb water supply disruptions.

Table 22 MBRR - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

UTHUKELA DISTRICT MUNICIPALITY DRAFT BUDGET 2025/2026

Choose name from list - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - BUDGET & TREASURE OFFICE		-	-	-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 3 - OFFICE OF THE MM		-	-	-	-	-	-	-	-	-	-
Vote 4 - PLANNING AND SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 5 - MUNICIPAL HEALTH SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 6 - WATER, SANITATION & TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 7 - MAYORAL AND COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - BUDGET & TREASURE OFFICE		-	-	-	-	-	-	-	-	-	-
Vote 2 - CORPORATE SERVICES		412	171	-	2 000	2 000	2 000	-	2 500	2 000	2 000
Vote 3 - OFFICE OF THE MM		-	-	-	-	-	-	-	-	-	-
Vote 4 - PLANNING AND SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 5 - MUNICIPAL HEALTH SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 6 - WATER, SANITATION & TECHNICAL SERVICES		221 892	169 535	207 976	306 529	242 241	242 241	-	269 949	293 481	316 848
Vote 7 - MAYORAL AND COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		222 304	169 706	207 976	308 529	244 241	244 241	-	272 449	295 480	318 848
Total Capital Expenditure - Vote		222 304	169 706	207 976	308 529	244 241	244 241	-	272 449	295 480	318 848
Capital Expenditure - Functional											
<i>Governance and administration</i>		412	171	-	2 000	2 000	2 000	183	2 500	2 000	2 000
Executive and council		-	-	-	-	-	-	-	-	-	-
Finance and administration		412	171	-	2 000	2 000	2 000	183	2 500	2 000	2 000
Internal audit		-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		221 892	169 535	207 976	306 529	242 241	242 241	127 286	269 949	293 481	316 848
Energy services		-	-	-	-	-	-	-	-	-	-
Water management		221 892	136 480	193 198	306 529	242 241	242 241	127 286	269 949	293 481	316 848
Waste water management		-	33 056	14 778	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	222 304	169 706	207 976	308 529	244 241	244 241	127 469	272 449	295 480	318 848
Funded by:											
National Government		208 775	168 116	203 467	291 529	241 573	241 573	126 177	269 949	293 481	316 848
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	208 775	168 116	203 467	291 529	241 573	241 573	126 177	269 949	293 481	316 848
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		11 598	171	682	17 000	2 668	2 668	764	2 500	2 000	2 000
Total Capital Funding	7	220 373	168 287	204 148	308 529	244 241	244 241	126 941	272 449	295 480	318 848

Explanatory notes to Table A5- Budgeted Capital Expenditure The capital budget for water and sanitation infrastructure is grant funded the municipality has budgeted R269 million towards water and sanitation infrastructure, for the 2025/26 financial year.

UTHUKELA DISTRICT MUNICIPALITY DRAFT BUDGET 2025/2026

Table 23 MBRR Table A6 - Budgeted Financial Position

Choose name from list - Table A6 Budgeted Financial Position

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
ASSETS											
Current assets											
Cash and cash equivalents		14 370	13 415	5 810	(107 356)	(71 368)	(71 368)	304 644	(155 765)	(125 350)	(59 490)
Trade and other receivables from exchange transactions	1	233 906	197 629	195 469	73 257	328 631	328 631	166 836	255 368	326 371	440 422
Receivables from non-exchange transactions	1	5 433	3 428	79	7 102	65 218	65 218	79	182 468	(7 010)	(7 010)
Current portion of non-current receivables		3 514	3 514	3 514	-	-	-	3 514	-	-	-
Inventory	2	7 038	11 353	19 517	5 207	57 114	57 114	20 085	19 397	19 397	19 397
VAT		214 235	283 469	215 591	43 337	(122 575)	(122 575)	162 073	(3 384)	48 020	79 194
Other current assets		1 658	1 658	4 575	48 332	95	95	4 045	67 941	67 941	67 941
Total current assets		480 153	514 466	444 555	69 879	257 116	257 116	661 276	366 024	329 368	540 454
Non current assets											
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	3 176 828	3 307 004	3 369 667	2 620 048	3 406 166	3 406 166	3 483 451	3 551 588	3 755 919	3 979 607
Biological assets		-	-	-	-	-	-	-	-	-	-
Living and non-living resources		-	-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-	-
Intangible assets		5 199	5 181	5 163	-	392	392	5 151	409	389	369
Trade and other receivables from exchange transactions		-	-	-	-	1 658	1 658	-	1 730	1 730	1 730
Non-current receivables from non-exchange transactions		-	-	-	-	46	46	-	48	48	48
Other non-current assets		-	-	-	-	-	-	-	-	-	-
Total non current assets		3 182 027	3 312 185	3 374 830	2 620 048	3 407 283	3 407 283	3 488 602	3 553 775	3 758 086	3 981 753
TOTAL ASSETS		3 662 180	3 826 651	3 819 385	2 689 926	3 664 378	3 664 378	4 149 878	3 919 799	4 087 455	4 522 207
LIABILITIES											
Current liabilities											
Bank overdraft		-	-	-	-	-	-	-	-	-	-
Financial liabilities		406	1 092	949	-	2 416	2 416	2 416	-	-	-
Consumer deposits		18 149	19 294	20 029	20 735	20 029	20 029	20 559	20 891	20 891	20 891
Trade and other payables from exchange transactions	4	377 701	382 777	478 213	479 154	945 902	945 902	604 988	863 794	785 836	727 773
Trade and other payables from non-exchange transactions	5	292 924	256 345	116 150	10 431	2 883	2 883	85 700	2 784	-	-
Provision		19 059	26 974	31 975	50 117	36 722	36 722	35 252	42 192	42 192	42 192
VAT		241 063	274 609	302 371	58 116	0	0	263 619	0	50 829	104 707
Other current liabilities		4 596	8 336	8 336	11 337	(78 406)	(78 406)	-	25 147	25 147	25 147
Total current liabilities		953 899	969 428	958 024	629 890	929 547	929 547	1 012 534	954 808	924 864	920 710
Non current liabilities											
Financial liabilities	6	-	-	-	-	-	-	-	-	-	-
Provision	7	10 235	15 060	15 060	35 360	49 527	49 527	18 116	51 657	51 657	51 657
Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-
Other non-current liabilities		18 777	18 777	18 777	-	-	-	22 660	-	-	-
Total non current liabilities		29 012	33 837	33 837	35 360	49 527	49 527	40 776	51 657	51 657	51 657
TOTAL LIABILITIES		982 912	1 003 264	991 862	665 249	979 074	979 074	1 053 311	1 006 465	976 521	972 367
NET ASSETS		2 679 268	2 823 387	2 827 523	2 024 677	2 685 304	2 685 304	3 096 567	2 913 334	3 110 903	3 549 840
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	2 679 758	2 816 464	2 826 163	2 024 677	2 685 304	2 685 304	2 888 614	2 913 334	3 110 903	3 549 840
Reserves and funds	9	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	10	2 679 758	2 816 464	2 826 163	2 024 677	2 685 304	2 685 304	2 888 614	2 913 334	3 110 903	3 549 840

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice and improves understand-ability for councillors and management of the impact of the budget on the statement of financial position (balance sheet).
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. This table is supported by an extensive table of notes (SA3) providing a detailed analysis of the major components of several items, including:
 - Call investments deposits.
 - Consumer debtors.
 - Property, plant and equipment.
 - Trade and other payables.
 - Non-current Provisions.
 - 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.

UTHUKELA DISTRICT MUNICIPALITY DRAFT BUDGET 2025/2026

Table 24MBRR Table A7 - Budgeted Cash Flow Statement

Municipality: Uthukela District Municipality													
Financial Impact of the Budget Funding Plan on the Cash Flow (Table A7/B7)													
Description	Original Budget	Proposed Adjusted Budget	Increase / (Decrease)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
R thousand	2024/25	2024/25	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
CASH FLOW FROM OPERATING ACTIVITIES													
Receipts													
Property rates	-	-	-										
Service charges	118 196	125 293	7 097	125 293	147 567	156 422	181 449	189 433	197 768	227 116	237 110	247 542	258 434
Other revenue	80 555	74 898	(5 657)	74 898	80 473	83 681	87 068	89 935	93 633	100 098	103 411	106 729	110 223
Transfers and Subsidies - Operational	632 092	665 135	33 043	665 135	695 840	727 317	759 319	792 729	827 609	864 024	902 041	941 731	983 167
Transfers and Subsidies - Capital	277 808	311 791	33 983	311 791	338 970	365 959	375 108	384 486	394 098	403 950	414 049	424 400	435 010
Interest	35 149	6 779	(28 370)	6 779	7 091	7 403	7 729	8 069	8 424	8 794	9 181	9 585	10 007
Dividends		-	-										
Payments													
Suppliers and employees	(976 644)	(921 909)	54 735	(921 909)	(937 002)	(948 719)	(955 698)	(969 676)	(992 332)	(1 011 543)	(1 026 643)	(1 044 550)	(1 063 482)
Interest	-	(6 734)	(6 734)	(6 734)	(7 044)	(7 354)	(7 354)	(7 354)	(7 354)	(7 354)	(7 354)	(7 354)	(7 354)
Transfers and Subsidies		(1 600)	(1 600)	(1 600)									
NET CASH FROM/(USED) OPERATING ACTIVITIES	167 157	253 653	86 497	253 653	325 895	384 708	447 621	487 622	521 845	585 086	631 795	678 083	726 006
CASH FLOWS FROM INVESTING ACTIVITIES													
Receipts													
Proceeds on disposal of PPE	-	-	-										
	-	-	-										
Decrease (increase) in non-current receivables	-	-	-										
Decrease (increase) in non-current investments	-	-	-										
Payments													
Capital assets	(244 241)	(272 449)	(28 209)	(272 449)	(295 481)	(318 848)	(326 769)	(341 059)	(355 977)	(371 552)	(387 813)	(404 788)	(422 511)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(244 241)	(272 449)	(28 209)	(272 449)	(295 481)	(318 848)	(326 769)	(341 059)	(355 977)	(371 552)	(387 813)	(404 788)	(422 511)
CASH FLOWS FROM FINANCING ACTIVITIES													
Receipts													
Short term loans	-	-	-										
Borrowing long term/refinancing	-	-	-										
Increase (decrease) in consumer deposits	-	-	-										
Payments													
Repayment of borrowing	-	-	-										
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	-	-	-	-	-	-	-	-	-	-	-	-
NET INCREASE/(DECREASE) IN CASH HELD	(77 084)	(18 796)	58 288	(18 796)	30 414	65 860	120 852	146 563	165 868	213 533	243 983	273 295	303 495
Cash/cash equivalents at the year begin:	5 715	(136 969)	(142 684)	(136 969)	(155 765)	(125 350)	(59 490)	61 362	207 925	373 793	587 326	831 309	1 104 604
Cash/cash equivalents at the year end:	(71 368)	(155 765)	(84 396)	(155 765)	(125 350)	(59 490)	61 362	207 925	373 793	587 326	831 309	1 104 604	1 408 099

UTHUKELA DISTRICT MUNICIPALITY DRAFT BUDGET 2025/2026

Choose name from list - Table A7 Budgeted Cash Flows

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		-	-	-	-	-	-	-	-	-	-
Service charges		132 127	129 654	125 921	129 153	118 196	118 196	118 196	125 293	147 567	156 422
Other revenue		52 598	39 809	26 473	69 392	80 555	80 555	80 555	74 898	80 473	83 681
Transfers and Subsidies - Operational	1	492 457	533 343	579 544	620 501	632 093	632 093	632 093	665 135	695 840	727 317
Transfers and Subsidies - Capital	1	289 919	252 284	281 538	291 529	277 808	277 808	277 808	311 791	338 970	365 959
Interest		3 399	6 612	9 124	10 482	35 149	35 149	35 149	6 779	7 091	7 403
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		53 672	(163 965)	(266 036)	(846 752)	(976 644)	(976 644)	(976 644)	(928 643)	(944 046)	(956 073)
Interest		-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies	1	-	-	-	(5 830)	(0)	(0)	(0)	(1 600)	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		1 024 173	797 737	756 583	288 474	167 157	167 157	167 157	253 653	325 895	384 708
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	46	46	46	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		(239 054)	(194 919)	(222 994)	(308 529)	(244 241)	(244 241)	(244 241)	(272 449)	(295 480)	(318 848)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(239 054)	(194 919)	(222 994)	(308 529)	(244 194)	(244 194)	(244 194)	(272 449)	(295 480)	(318 848)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short-term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		785 119	602 818	533 589	(40 055)	(77 037)	(77 037)	(77 037)	(18 790)	30 414	65 860
Cash/cash equivalents at the year begin:	2	45 858	14 370	13 680	(67 302)	5 715	5 715	5 715	(136 989)	(155 765)	(125 350)
Cash/cash equivalents at the year end:	2	830 977	617 188	547 258	(107 358)	(71 322)	(71 322)	(71 322)	(155 765)	(125 350)	(59 490)

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

- Table A7 details the cash flow of the municipality and is one of the plays a pivotal role in measuring the funding of the budget.
- It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
- the applied collection rate of 40.5% is maintained throughout the year and 45% in the outer years. As well as the cost containment measures are applied effectively as detailed in the recovery plan.
- Interest payment is combined with suppliers and employees
- The municipality cannot pay old debt and has factored in its current budget payment plans for creditors until it has some reserves which we anticipate after the first year.

The following strategies will be implemented to improve the collection of revenue

- All operating expenditure budgeted on table A4 has been budgeted to be settled in 2025/26.
- The municipality has begun with the process of data cleansing
- The municipality has begun the process of rolling out prepaid meters to households
- The municipality has made arrangements with all employees that are in arrears with the municipality
- The municipality has been disconnecting non-paying customers, the focus area being on businesses.
- The municipality has offered incentives to encourage consumers to pay their old debt.
- The municipality is trying to build its reserves, so it can pay off its creditors.
- The municipality will be installing prepaid meters for household.

Table 25.1 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

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

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	830 977	617 188	547 258	(107 356)	(71 322)	(71 322)	(71 322)	(155 765)	(125 350)	(59 490)
Other current investments > 90 days		(816 608)	(603 773)	(541 447)	-	(46)	(46)	375 966	-	0	0
Non current Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		14 370	13 415	5 810	(107 356)	(71 368)	(71 368)	304 644	(155 765)	(125 350)	(59 490)
Application of cash and investments											
Unspent conditional transfers		309 388	272 532	133 181	10 431	2 883	2 883	102 731	2 784	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	26 828	(8 860)	86 781	26 117	44 169	44 169	(101 546)	28 531	27 956	50 660
Other working capital requirements	3	312 700	317 996	416 359	443 118	616 885	616 885	393 229	606 446	589 197	454 352
Other provisions		23 655	35 310	40 311	50 117	36 722	36 722	(35 252)	42 192	42 192	42 192
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		672 572	618 977	678 632	529 782	700 659	700 659	359 181	679 953	659 345	547 204
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		(658 202)	(603 562)	(670 822)	(637 139)	(772 027)	(772 027)	(54 517)	(835 718)	(784 695)	(606 694)
Creditors transferred to Debt Relief - Non-Current portion		-	-	-	-	-	-	-	-	-	-
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		(658 202)	(603 562)	(670 822)	(637 139)	(772 027)	(772 027)	(54 517)	(835 718)	(784 695)	(606 694)

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.

Table 25.2 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

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

Crossed name from not Table A2 Cash and Investments Post-Revised/Estimated Surplus Recognition												
Description		Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Cash and investments available												
Cash/cash equivalents at the year end		1	830 977	617 188	547 258	(107 356)	(71 322)	(71 322)	(71 322)	(155 765)	(125 350)	(59 490)
Other current investments > 90 days			(816 608)	(603 773)	(541 447)	-	(46)	(46)	375 966	-	0	0
Non current Investments		1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:			14 370	13 415	5 810	(107 356)	(71 368)	(71 368)	304 644	(155 765)	(125 350)	(59 490)
Application of cash and investments												
Unspent conditional transfers			309 388	272 532	133 181	10 431	2 883	2 883	102 731	2 784	-	-
Unspent borrowing			-	-	-	-	-	-	-	-	-	-
Statutory requirements		2	26 828	(8 860)	86 781	26 117	44 169	44 169	(101 546)	28 531	27 956	50 660
Other working capital requirements		3	312 700	317 996	416 359	443 118	616 885	616 885	393 229	606 446	589 197	454 352
Other provisions			23 655	35 310	40 311	50 117	36 722	36 722	(35 252)	42 192	42 192	42 192
Long term investments committed		4	-	-	-	-	-	-	-	-	-	-
Reserves to be booked by cash/investments		5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:			672 572	616 977	676 632	529 782	700 659	700 659	359 181	679 953	659 345	547 204
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits			(658 202)	(603 562)	(670 822)	(637 139)	(772 027)	(772 027)	(54 517)	(835 718)	(784 695)	(606 694)
Creditors transferred to Debt Relief - Non-Current portion			-	-	-	-	-	-	-	-	-	-
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits			(658 202)	(603 562)	(670 822)	(637 139)	(772 027)	(772 027)	(54 517)	(835 718)	(784 695)	(606 694)

- From the table for the period 2025/26 financial year the budget will be unfunded by R835 million. The municipality has also compiled a budget funding plan, which identifies the major costs drivers and the areas of possible cost containment. the detailed funding plan consists of strategies that municipalities will employ as measures of cost containment and the financial benefits thereon. The plan adopted will cover a 7-year financial span, however improvements in the financial position of the municipality can be noted within before that period.
- It must also be noted that the municipality has enforced measures to encourage employees to utilise leave days earned. This will also have a positive impact on the employee benefit obligation provision.

Table 26 MBRR -Table A9 Asset Management

ASchedule attachment

Explanatory notes to Table A9 - Asset Management

ASSET REGISTER SUMMARY - PPE (WDV)	5	2 389 036	2 493 203	2 533 569	2 590 045	3 383 633	3 383 633	3 527 755	3 707 891	3 898 950
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		(47 450)	(117 614)	(189 091)	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		2 484 061	2 666 685	2 751 889	58 752	15 338	15 338	105 081	230 687	357 898
Sanitation Infrastructure		(103 945)	(126 754)	(115 372)	48 071	52 926	52 926	58 052	115 375	182 164
Solid Waste Infrastructure		(14 012)	(14 012)	(9 331)	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		2 318 654	2 408 305	2 438 095	106 823	68 264	68 264	163 132	346 062	540 062
Community Assets		-	-	-	2 382 877	3 245 412	3 245 412	3 366 279	3 366 279	3 366 279
Heritage Assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other Assets		54 819	71 813	85 883	80 912	69 950	69 950	(1 356)	(2 773)	(4 226)
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		5 199	5 181	5 163	-	392	392	409	389	369
Computer Equipment		(5 038)	(5 768)	(6 297)	517	560	560	41	561	1 069
Furniture and Office Equipment		(2 850)	(3 144)	(3 394)	12 035	642	642	1 626	2 236	2 836
Machinery and Equipment		90 178	91 669	90 696	15 000	-	-	-	-	-
Transport Assets		(71 925)	(74 853)	(76 576)	(8 119)	(1 587)	(1 587)	(2 377)	(4 863)	(7 438)
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	2 389 036	2 493 203	2 533 569	2 590 045	3 383 633	3 383 633	3 527 755	3 707 891	3 898 950
EXPENDITURE OTHER ITEMS		112 807	130 379	176 798	174 288	162 955	162 955	142 180	148 844	151 248
Depreciation	7	68 257	82 473	86 932	73 910	84 528	84 528	87 160	91 169	95 181
Repairs and Maintenance by Asset Class	3	44 550	47 906	89 866	100 378	78 427	78 427	55 000	55 675	56 067
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	(1 872)	12	20 000	4 000	4 000	1 000	1 000	1 000
Water Supply Infrastructure		44 550	49 779	89 854	80 378	74 427	74 427	54 000	54 675	55 067
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		44 550	47 906	89 866	100 378	78 427	78 427	55 000	55 675	56 067
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		112 807	130 379	176 798	174 288	162 955	162 955	142 180	148 844	151 248

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. The Municipality has committed to the renewal and repairs and maintenance of existing capital assets. The cost saving that will be gained from maintaining existing assets will have employed in future capital projects

PART 2 – SUPPORTING DOCUMENTATION

2.1. OVERVIEW OF THE 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 MMC for Finance.

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 the 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 July 2024) 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 2024, Key dates applicable to the process were as follows:

Table 27 Key dates applicable to the process were as follows:

MONTHS	ACTION/TASK FOR IDP	TIMEFRAME FOR TASK COMPLETION
JULY AND AUGUST 2024	Drafting of the IDP Framework and process plan	12 July 2024
	Alignment of IDP and budget process plans	19 July 2024
	Submission of the draft Framework and Process Plan to COGTA for comments	26 July 2024
	Advertisement of the IDP Framework and process plan	31 July 2024
	Adoption of IDP Framework and Process Plan by full council	30 August 2024
	Planning Indaba	30 August 2024
SEPTEMBER 2024	Submission of the adopted IDP Framework and Process plan to COGTA	04 September 2024
	Identify outstanding Sector Plans	19 September 2024
	Integrate sector plans.	19 September 2024
	IDP input into provincial adjustment budgets	27 September 2024
	Provincial planners Forum	30 September 2024
OCTOBER 2024	Provide inputs in the review of the Spatial Development Framework	04 October 2024
	Projects identifications and prioritization	11 October 2024
	Develop KPI's targets, timeframes etc. where impacted upon by reprioritization	18 October 2024
	Align with draft budget estimates	25 October 2024
NOVEMBER 2024	World Planning Day	01 November 2024
	Municipal alignment session	08 November 2024
	Alignment meeting between DM & Province to revised 3-year MTEF	13 November 2024
	Alignment meeting with family of municipalities	21 November 2024
	SDF Alignment between the bordering district municipalities	22 November 2024
DECEMBER 2024	IDP best practice conference	04 December 2024
JANUARY 2025	IDP Supporting Structure Committee Meeting	17 January 2025

UTHUKELA DISTRICT MUNICIPALITY DRAFT BUDGET 2025/2026

FEBRUARY 2025	IDP steering committee and strategic planning session to: - Review Municipal Vision and Mission - Develop Objectives and Strategies	6&7 February 2025
	Meeting COGTA and municipalities on IDP assessment	13 February 2025
	Updating of municipal CIP and MTEF based on Draft DORA allocations	12 February 2025
	IDP Coordinating committee meeting (IDP Managers)	19 February 2025
	IDP Representative Forum	21 February 2025
	IDP Road Shows	26-28 February 2025
MARCH 2025	EXCO approval of the Draft, recommend to Council	20 March 2025
	Council Approval of the Draft IDP 2025/2026	25 March 2025
	Submission of the Draft 2025/2026 IDP to COGTA	
		28 March 2025
APRIL 2025	Decentralized IDP assessment forums	10 April 2025
	Advertise for public comments(21days)	11 April 2025
	IDP/Budget Road shows	22-25 April 2025
MAY 2025	IDP Assessment Feedback Session	06 May 2025
	Amend IDP in accordance with the outcome of the assessment	13 May 2025
	EXCO recommend to Council	15 May 2025
	Council approval of the final 2025/2026 IDP	
		29 May 2025
JUNE 2025	Submission of the adopted IDP to the MEC	03 June 2025
	Advertise the Adopted IDP in the local newspaper	10 June 2025

2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP

2.2.1 ROLE PLAYERS

- **National Linkages**

The national sphere should at least provide a framework for the preparation of the sectoral Plans, and where possible funding be accessed. This will contribute to the creation of a normative framework and consistency between municipalities.

The national sphere should also co-ordinate and prioritizes programmes and budgets between sectors and the national sphere in line with the framework.

- **Provincial Level**

As with the National Government, Provincial Government district programmes also need to be coordinated and aligned. should prepare sectoral guidelines and funding analysis (Business Plans) for the preparation of these plans.

The preparation of the sectoral Plans and programmes and

2.2.2 KEY STAGES OF ALIGNMENT BETWEEN UTHUKELA DISTRICT MUNICIPALITY AND ITS FAMILY OF MUNICIPALITIES

Alignment meetings will take place on a quarterly basis through the IDP Supporting structure Committee that is formed by the IDP Managers of all Local Municipalities, representative from COGTA and is chaired by the District IDP Manager. It ensures that the IDP process is carried out in a holistic manner, interaction between the district and locals is essential as well as the alignment Should a need arise for more of these meetings, local municipalities and the district municipality will have to come to consensus on suitable dates.

2.2.3 PARTICIPATING LOCAL MUNICIPALITIES

The uThukela district municipality consists of three local municipalities, which are:

- Alfred Duma Local Municipality
- Inkosi Langalibalele Local Municipality
- Okhahlamba Local Municipality

The DRAFT IDP Framework and Process Plan have been circulated to all local municipalities and COGTA for their inputs before its adoption.

2.2.4 MONITORING OF THE PROCESS PLAN

Alignment is the instrument that synthesis and integrates the top-down and the bottom-up planning process between different spheres of government. Not only alignment between the district and the local municipalities is important, but also between the local municipalities within the jurisdiction of the district municipality. The alignment procedures and mechanisms should be incorporated in the process plans of the local municipalities, while the responsibility for alignment rests with the district municipality.

In order to facilitate the above, frequent IDP alignment meetings will be rotational in all local municipalities, chaired and convened by the district. The secretariat function will be performed by the hosting municipality and verified by the district IDP Manager before its circulation to all members of the family. Coordination meetings have been scheduled as well as alignment workshops as stipulated in the Activity programme.

IDP Manager is required to submit a written report at each meeting, indicating progress and deviations from the Framework and Process plan, as well as the recommended action to address the deviation. The members at the meeting will assess the deviation and recommend necessary amendments to the Process Plan to the individual Steering Committees, which will decide as to whether the matter needs to be endorsed by the Executive Committee of the relevant Municipality.

2.2.5 PROCEDURES FOR DEVIATION

In terms of the Municipal Systems Act of 2000, the district and local municipalities must determine procedures to effect amendments to the Framework Plan. In order to amend the Framework Plan, amendments should be tabled at the IDP Supporting structure Committee meeting. The Committee will evaluate the changes and recommend such amendments to the individual Steering Committees. The IDP Steering Committee may recommend that changes be presented to Council in order to formally amend the Framework Plan

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

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

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

Table 28.1 IDP Goals Objectives and Strategies

Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

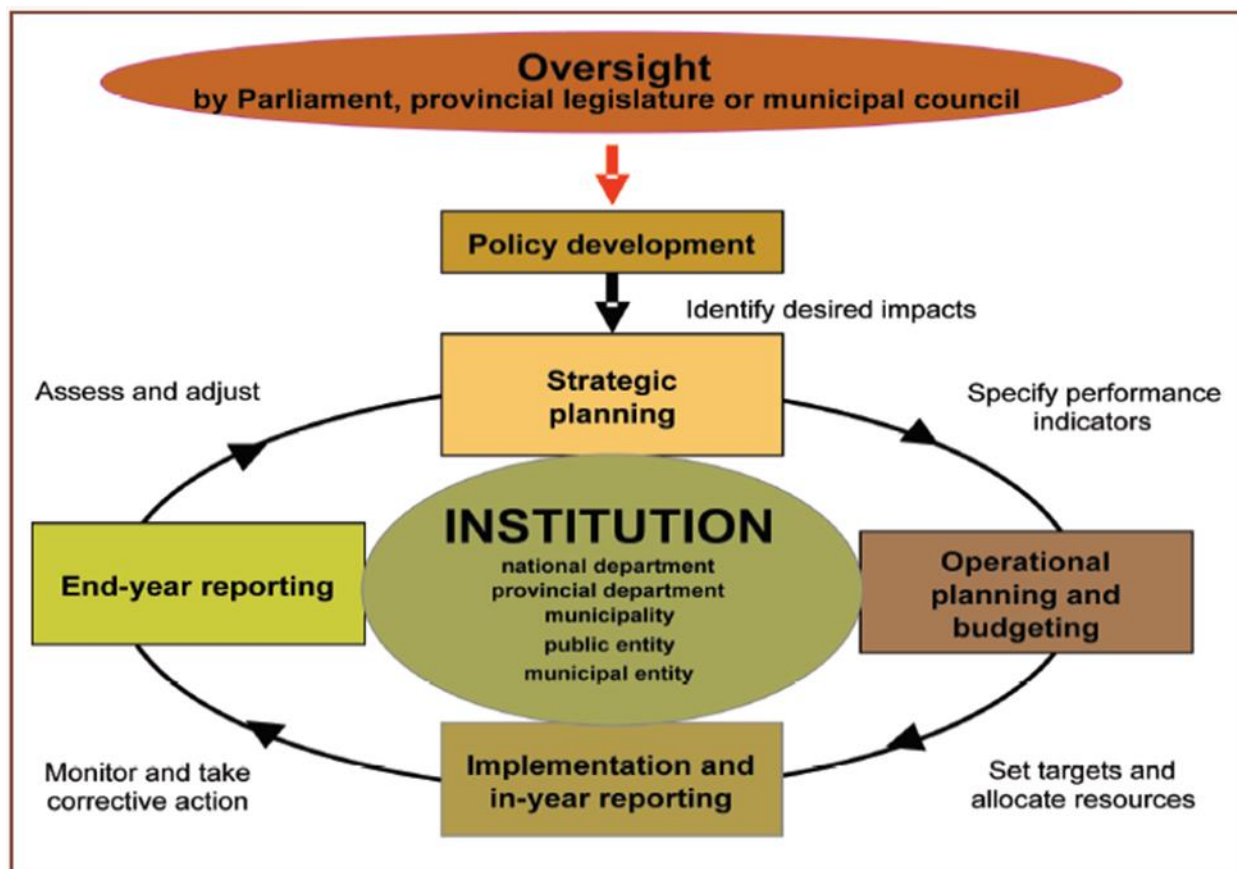
Schedule attachment

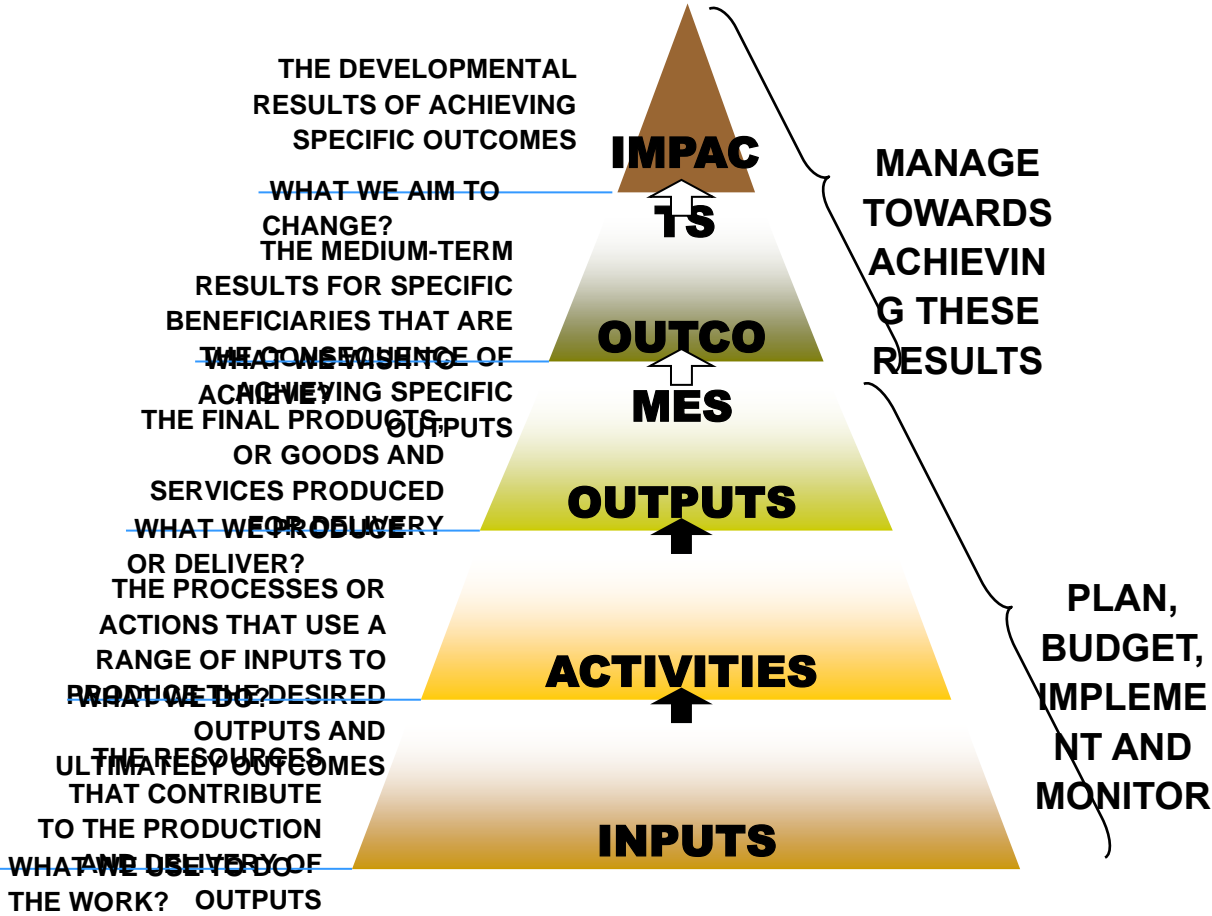
Table 28.2 IDP Goals Objectives and Strategies

Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Schedule attachment

The 2025/26 MTREF has therefore been directly informed by the IDP revision process, and the above tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.





2.3 OVERVIEW OF BUDGET RELATED POLICIES

2.3.1. Budget Policy

The objective of this policy is to set out the budgeting principles which the Municipality will follow in preparing each annual budget, as well as the responsibilities of the Chief Financial Officer in compiling such budget.

2.3.2 Credit Control and Debt Collection Policy

- The Council of the municipality, in adopting this policy on credit control and debt collection, recognises its constitutional obligations to develop the local economy and to provide acceptable services to its residents. It simultaneously acknowledges that it cannot fulfil these constitutional obligations unless it exacts payment for the services which it provides and for the taxes which it legitimately levies – in full of those residents who can afford to pay, and in accordance with its indigency relief measures for those who have registered as indigents in terms of the Council's approved indigent management policy.

2.3.3 Indigent Support Policy

- Indigents, whose level of income is less than the amount determined by Council as qualifying for indigent support, may apply in writing to the Council for such support.
- Owners or occupiers who apply for such support shall be required to apply annually, in writing, for such support on the prescribed form.
- Only registered residential consumers of services delivered by Municipality qualify for support.
- o consumer conducting a business on a residential property, with or without special consent from the Council, shall qualify for assistance.
- Support in terms of this policy only be provided to owners or residents who occupy the premises.
- Applications for support must be made during March of each year and will apply from the first of the month following the month application and will continue for 12 months. Should further support be required a new application must be lodged.

2.3.4 Supply Chain Management Policy

The principal objective of the policy is to provide, promote and implement, theoretical guidelines, governing processes and procedures within the supply chain management when

- 1) Procuring goods or services.
- 2) Disposal of goods, assets and immovable property no longer needed.
- 3) Selecting contractors to aid in the provision of municipal services other than that where Chapter 8 of the Municipal Systems Act applies.

2.3.5. Virements Policy

This policy applies only to transfers between line items within votes of the Municipality's operating budget.

Section 28(2) (d) read together with section 69 of the MFMA provides that *"An adjustments budget...may authorise the utilisation of projected savings in one vote towards spending in another vote."* Transfers between votes may therefore be authorised only by the Council of the Municipality.

For ease of reference, the definition of "vote" as contained in Section 1 of the MFMA is set out hereunder:

"Vote means –

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

This policy shall not apply to transfers between or from capital projects or items and no such transfers may be performed under this policy.

Any deviation from or adjustment to an annual budget or transfer within a budget which is not specifically permitted under this policy, or any other policy may not be performed unless approved by the Council through an adjustment budget.

2.3.6. Tariff Policy

In terms of Section 62 (1) of the Municipal Finance Management Act (MFMA) the Accounting Officer of a Municipality is responsible for managing the financial administration of the municipality and, in terms of S62 (1) (f), must for this purpose take all reasonable steps to ensure – "that the municipality has and implements a tariff policy referred to in Section 74 of the Municipal Systems Act" (MSA).

In giving effect to S74 (1) of the Municipal Systems Act, the municipality adopts this policy as the as the framework for determining tariffs.

2.3.7. Petty Cash Policy

The objectives of the policy are to:

- 2.3.7.1 Ensure goods and services are procured by the municipality in accordance authorized processes only.
- 2.3.7.2 Ensure that the municipality has and maintains an effective petty cash system Expenditure control.
- 2.3.7.3 Ensure that sufficient petty cash is available when required
- 2.3.7.4 Ensure that the items required to be procured are approved petty cash items.

All policies highlighted above have been attached to the budget for further reference. The comprehensive list of policies approved is as follows:

*Budget policy
Credit control policy
Bad debt & write off policy
Budget funding and reserves policy
Cash management and investment policy
Contract management policy
Supplier performance monitoring policy
Expenditure management policy
Inventory policy
Cost containment policy
Virements policy
SCM policy
Petty cash policy
Assets Management policy
Indigent Policy
HR policy
Overtime and standby policy*

2.4 OVERVIEW OF BUDGET ASSUMPTIONS

- The 2025/26 budget assumes the following:
 - CPI inflation rate forecast 4.3% for 2025/26 and 4.6% and 4.4% respectively for the outer two years.
 - Tariffs have been increased by 6% household consumers however the increase in industrial tariffs is 6%. With further engagements to be had with the business chamber in order to discuss the removal of the bottom tariff of the declining tariff scale. Business and government tariffs have been increased by
 - Collection rate estimated at 40.5% of service charges.
 - Employee related costs will increase by 4.3%
 - The municipality has budget to settle at 100% all expenditure incurred in the current year.
 - The asset maintenance plan will be reviewed, in light of available budget and phased in accordingly
 - A total commitment to the strategies adopted in the budget funding plan from the identified budget vote administrators, with measurable objective.

2.5 OVERVIEW OF BUDGET FUNDING

2.5.1 Medium-term outlook: operating revenue

Table 29 Breakdown of the operating revenue over the medium-term

Description	Audited 2023/2024	Funding Plan 2024/2025	Original 2025/2026	Year 1 2026/2027	Year 2 2027/2028
R thousand					
Revenue					
Exchange Revenue					
Service charges - Electricity					
Service charges - Water	269 456 000,00	272 709 995,00	- 289 072 594,70	- 306 416 950,38	- 324 801 967,40
Service charges - Waste Water Management	17 907 693,00	19 132 476,00	- 20 293 170,00	- 21 510 760,20	- 22 801 405,81
Service charges - Waste Management					
Sale of Goods and Rendering of Services	133 300,00	492 817,00	- 522 543,00	- 546 579,98	- 570 629,50
Agency services					
Interest					
Interest earned from Receivables	62 379 178,00	69 486 891,00	- 74 737 950,00	- 79 222 227,00	- 83 975 560,62
Interest earned from Current and Non Current Assets	11 078 696,00	7 007 029,00	- 6 778 978,50	- 7 090 811,51	- 7 402 807,22
Dividends					
Rent on Land					
Rental from Fixed Assets					
Licence and permits					
Operational Revenue	979 920,00	2 934 005,00	- 1 070 775,09	- 1 120 030,74	- 1 169 312,10
Non-Exchange Revenue					
Property rates					
Surcharges and Taxes					
Fines, penalties and forfeits	41 700,00	626 485,00	- 574 171,50	- 600 583,38	- 627 029,63
Licences or permits					
Transfer and subsidies - Operational	583 832 782,00	632 191 763,00	- 665 134 560,19	- 695 840 000,00	-727317000
Interest					
Fuel Levy					
Operational Revenue					
Gains on disposal of Assets	5 831 893,00				
Other Gains					
Discontinued Operations					
Total Revenue (excluding capital transfers and contributions)	951 641 162,00	1 004 581 461,00	- 1 058 184 742,98	- 1 112 347 943,20	- 1 168 665 712,28

Figure 2 Breakdown of operating revenue over the 2025/26 MTREF

The following graph is a breakdown of the operational revenue per main category for the 2025/26 financial year.

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 27% of its operational revenue from the provision of and services such as water and sanitation.

The above graph demonstrates that the major part of the municipality revenue is derived from operating grants making up more than 60% of the revenue basket.

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

- Growth in the municipality and economic development
- Revenue management and enhancement
- Achievement of a 60% and above annual collection rate for consumer revenue
- National Treasury guidelines
- Water tariff increases by DWA and Eskom
- Achievement of full cost recovery of specific user charges
- Determining tariff escalation rate by establishing/calculating revenue requirements
- 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 are aligned to the economic forecasts.

Table 30 MBRR SA15 – Detail Investment particulars by maturity

All grant monies to be ring fenced in investment accounts, which will generate interest for the municipality. The municipality won't have any investments as at year end as at SA15.

Table 31– Collection Rate

CONSUMER DEBTORS - PAYMENTS VS BILLING AS AT 28 February 2025				
MONTH	BILLING	MONTHS	RECEIPTS	RECOVERY RATE %
June 2024	35 297 566,92	July 2024	9 454 483,35	26,79%
July 2024	28 855 142,74	Aug 2024	12 880 102,19	44,64%
August 2024	30 683 291,09	September 2024	10 624 899,94	34,63%
September 2024	27 208 969,97	October 2024	14 734 306,68	54,15%
October 2024	28 513 577,62	November 2024	15 905 218,44	55,78%
November 2024	29 244 759,07	December 2024	9 633 647,30	32,94%
December 2024	24 387 248,49	January 2025	10 255 430,70	42,05%
January 2025	32 989 615,91	February 2025	11 336 376,18	34,36%
TOTAL	237 180 171,81		94 824 464,78	40%

The applicable collection rate for this draft budget is 40.5% which is supported by the current year billing and collections.

2.5.2 Capital revenue

The capital expenditure budget will be funded from the infrastructure grants to the value of R319 million.

Table 32 – Capital Grants

CONDITIONAL GRANTS -CAPITAL				
	2024/2025	2025/2026	2026/2027	2027/2028
GRANT NAME	(R'000)	(R'000)	(R'000)	(R'000)
Municipal Infrastructure Grant	189 429	219 159	238 970	250 459
Water Services Infrastructure Grant	100 000	100 000	100 000	115 500
Total	289 429	319 159	338 970	365 959

Service Level Standards

Province: DC23 - Schedule of Service Delivery Standards Table 2026	
Description	
Standard	Service Level
Solid Waste Removal	
Premise based removal (Residential Frequency)	N/A
Premise based removal (Business Frequency)	N/A
Bulk Removal (Frequency)	N/A
Removal Bags provided (Yes/No)	N/A
Garden refuse removal Included (Yes/No)	N/A
Street Cleaning Frequency in CBD	N/A
Street Cleaning Frequency in areas excluding CBD	N/A
How soon are public areas cleaned after events (24hours/48hours/longer)	N/A
Clearing of illegal dumping (24hours/48hours/longer)	N/A
Recycling or environmentally friendly practices (Yes/No)	N/A
Licenced landfill site (Yes/No)	N/A
Water Service	
Water Quality rating (Blue/Green/Brown/N0 drop)	
Is free water available to all? (All/only to the indigent consumers)	Indigents only
Frequency of meter reading? (per month, per year)	per month
Are estimated consumption calculated on actual consumption over (two month's/three month's/longer period)	three months
On average for how long does the municipality use estimates before reverting to actual readings? (months)	4 months
<i>Duration (hours) before availability of water is restored in cases of service interruption (complete the sub questions)</i>	
One service connection affected (number of hours)	3 Hours
Up to 5 service connection affected (number of hours)	8 Hours
Up to 20 service connection affected (number of hours)	day
Feeder pipe larger than 800mm (number of hours)	4 Hours
What is the average minimum water flow in your municipality?	

Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	Yes
How long does it take to replace faulty water meters? (days)	2 days
Do you have a cathodic protection system in place that is operational at this stage? (Yes/No)	Yes
Electricity Service	
What is your electricity availability percentage on average per month?	N/A
Do your municipality have a ripple control in place that is operational? (Yes/No)	N/A
How much do you estimate is the cost saving in utilizing the ripple control system?	N/A
What is the frequency of meters being read? (per month, per year)	N/A
Are estimated consumption calculated at consumption over (two month's/three month's/longer period)	N/A
On average for how long does the municipality use estimates before reverting to actual readings? (months)	N/A
Duration before availability of electricity is restored in cases of breakages (immediately/one day/two days/longer)	N/A
Are accounts normally calculated on actual readings? (Yes/no)	N/A
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	N/A
How long does it take to replace faulty meters? (days)	N/A
Do you have a plan to prevent illegal connections and prevention of electricity theft? (Yes/No)	N/A
How effective is the action plan in curbing line losses? (Good/Bad)	N/A
How soon does the municipality provide a quotation to a customer upon a written request? (days)	N/A
How long does the municipality takes to provide electricity service where existing infrastructure can be used? (working days)	N/A
How long does the municipality takes to provide electricity service for low voltage users where network extension is not required? (working days)	N/A
How long does the municipality takes to provide electricity service for high voltage users where network extension is not required? (working days)	N/A
Sewerage Service	
Are your purification system effective enough to put water back into the system after purification?	Yes
To what extend do you subsidize your indigent consumers?	Yes
<i>How long does it take to restore sewerage breakages on average</i>	
Severe overflow? (hours)	2 Hours
Sewer blocked pipes: large pipes? (Hours)	2 Hours
Sewer blocked pipes: small pipes? (Hours)	2 Hours
Spillage clean-up? (hours)	2 Hours

Replacement of manhole covers. (Hours)	3 Hours
Road Infrastructure Services	
Time taken to repair a single pothole on a major road? (Hours)	N/A
Time taken to repair a single pothole on a minor road. (Hours)	N/A
Time taken to repair a road following an open trench service crossing? (Hours)	N/A
Time taken to repair walkways? (Hours)	N/A
Property valuations	
How long does it take on average from completion to the first account being issued? (one month/three months or longer)	N /A
Do you have any special rating properties? (Yes/No)	N /A
Financial Management	
Is there any change in the situation of unauthorised and wasteful expenditure over time? (Decrease/Increase)	Decrease
Are the financial statement outsourced? (Yes/No)	No
Are there Council adopted business process structuring the flow and management of documentation feeding to Trial Balance?	Yes
How long does it take for an Tax/Invoice to be paid from the date it has been received?	within 30 Days
Is there advance planning from SCM unit linking all departmental plans quarterly and annually including for the next two to three years procurement plans?	Yes
Administration	
Reaction time on enquiries and requests?	
Time to respond to a verbal customer enquiry or request?	Immediately
Time to respond to a written customer enquiry or request?	2 Days
Time to resolve a customer enquiry or request?	24 Hours
What percentage of calls are not answered?	N/A
How long does it take to respond to voice mails?	N/A
Does the municipality have control over locked enquiries?	No
Is there a reduction in the number of complaints or not?	Yes
How long does in take to open an account to a new customer? (Less than 20 minutes
How many times does SCM Unit, CFO's Unit and Technical unit sit to review and resolve SCM process delays other than normal monthly management meetings?	Once Every Month

Community safety and licensing services	
How long does it take to register a vehicle? (minutes)	N/A
How long does it take to renew a vehicle license? (minutes)	N/A
How long does it take to issue a duplicate registration certificate vehicle? (minutes)	N/A
How long does it take to de-register a vehicle? (minutes)	N/A
How long does it take to renew a drivers license? (minutes)	N/A
What is the average reaction time of the fire service to an incident? (minutes)	N/A
What is the average reaction time of the ambulance service to an incident in the urban area? (minutes)	N/A
What is the average reaction time of the ambulance service to an incident in the rural area? (minutes)	N/A
Economic development	
How many economic development projects does the municipality drive?	-
How many economic development programme are deemed to be catalytic in creating an enabling environment to unlock key economic growth projects?	-
What percentage of the projects have created sustainable job security?	
Does the municipality have any incentive plans in place to create an conducive environment for economic development? (Yes/No)	Yes
Other Service delivery and communication	
Is a information package handed to the new customer? (Yes/No)	Yes
Does the municipality have training or information sessions to inform the community? (Yes/No)	Yes
Are customers treated in a professional and humanly manner? (Yes/No)	Yes

2.6. LEGISLATION COMPLIANCE STATUS

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

1. In- year reporting

Section S71 Reporting to National Treasury in electronic format was fully complied with on a monthly.

2. Internship programme

The Municipality is participating in the Municipal Financial Management Internship programme and has employed 7 interns that have undergone training in various divisions of the Budget and Treasury Services Department.

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. Budget Steering Committee

A Budget Steering Committee has been established and is fully functional

6. Service Delivery and Implementation Plan

The detailed DRAFT SDBIP document will be compiled and submitted to the relevant departments after approval of the 2025/26MTREF and will be directly aligned and informed by the 2025/26 MTREF.

7. Annual Report

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

8. Policies

Budget related policies are reviewed on an annual basis.

9. MScoa compliance

The municipality is Mscoa compliant, an Mscoa committee has been established as well as an implementation plan put in place. Mscoa risks are reviewed

2.8 MUNICIPAL MANAGERS QUALITY CERTIFICATE



I **Langelihle Jili** Municipal Manager of UThukela District Municipality, hereby certify that this draft annual budget for 2025/26 and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under this Act.

Print Name **LANGELIHLE JILI**
 Municipal Manager

Signature _____

Date **31 March 2025**