



NEWCASTLE MUNICIPALITY



MID YEAR ADJUSTMENT BUDGET

2022/2023

"TRUST US TO DELIVER"

**EXTRACT FROM THE MINUTES OF THE SPECIAL CONTINUATION MEETING OF THE
NEWCASTLE MUNICIPAL COUNCIL, HELD IN THE COUNCIL CHAMBERS,
NEWCASTLE ON WEDNESDAY, 01 MARCH 2023 AT 13:00**

PRESENT

Councillor	T	M	Zulu	:	Speaker
Councillor	M	E	Buthelezi		
Councillor	S	B	Buthelezi	:	Left at 14:15
Councillor	F		Cassim		
Councillor	T	N	Dlamini	:	Left at 14:15
Councillor	D	X	Dube	:	Mayor
Councillor	N	C	Dube		
Councillor	F	L	Duma		
Councillor	V	F	Hadebe		
Councillor	P		Hariram		
Councillor	M	E	Hlatshwayo		
Councillor	L	M	Khumalo		
Councillor	C	B	Kubeka		
Councillor	C	Y	Liu		
Councillor	B	G	Madi		
Councillor	Z	E	Madi		
Councillor	F	A	Malinga		
Councillor	N	P	Maseko		
Councillor	S	B	Mashazi		
Councillor	N	S	F Masondo		
Councillor	L	I	Mathe	:	Left at 14:15
Councillor	L	P	Mazibuko		
Councillor	M	V	Mbatha		
Councillor	A	P	Meiring		
Councillor	A	E	Mkhwanazi	:	Left at 14:15
Councillor	S	W	Mngomezulu		
Councillor	M	V	Molefe		
Councillor	N	P	Mthabela	:	Left at 14:15
Councillor	T	E	Mthembu		
Councillor	L	P	Ndebele		
Councillor	C	S	Ngcobo		
Councillor	R	N	Ngcobo		
Councillor	A	T	Nkosi		
Councillor	S	E	Nkosi	:	Left at 14:15
Councillor	S		Ntsele		
Councillor	M	J	Ntshangase	:	Left at 14:15
Councillor	R	B	S Russell		
Councillor	V	N	Sibeko		
Councillor	S		Singh		
Councillor	L	C	Sithebe	:	Left at 14:15
Councillor	F	N	Sithole		
Councillor	B	R	Thusi		
Councillor	S	M	Thwala	:	Deputy Mayor
Councillor	M	N	Zulu		
Councillor	N	S	Zulu		

ABSENT WITH APOLOGY

Councillor	E	J	C Cronje	:	Other commitments
Councillor	S	P	Masuku	:	Other commitments
Councillor Dr	J	A	Vorster	:	Other commitments

(ii)

ABSENT WITHOUT APOLOGY

Councillor	M	J	Dladla
Councillor	M	M	E Hlatshwayo
Councillor	H	N	Khumalo
Councillor	N	Z	B Kunene
Councillor	M	T	Lethea
Councillor	M	T	D Makhoba
Councillor	X	S	Makhubo
Councillor	B	D	Mathunjwa
Councillor	M	P	Mkhwanazi
Councillor	P	F	Mnisi
Councillor	R	M	Molelekoa
Councillor	M	O	Ndlovu
Councillor	W	P	Nkosi
Councillor	N	P	Shabalala
Councillor	S	E	Shabangu
Councillor	L	P	Ximba
Councillor	S	A	Yende
Councillor	V	G	Zondo
Councillor	Z	E	Zwane

TRADITIONAL LEADERS

iNkosi	C	S	Kubheka	:	Not Present
iNkosi	B	S	Radebe	:	Not Present

OFFICIALS PRESENT

Strategic Executive Director : Corporate Services	:	Dr	P	D	Thabethe
Strategic Executive Director : DP&HS	:	Mrs	N	P	Khathide
Strategic Executive Director : Technical Services	:	Mr	B	P	Mnguni
Director : Administration	:	Mrs	D	R	Molefe
Director : Internal Audit	:	Mr	B	B	Nkosi
Acting Director : Financial Reporting	:	Mr	N		Khumalo
Acting Manager : General Administration and Secretariat	:	Mrs	Z		Sibeko
Committee Clerk	:	Mr	S	N	Thwala
Committee Clerk	:	Mr	K	S	Mbonane
Secretariat Support	:	Ms	T		Masuku
Secretariat Support	:	Mr	A		Kunene
Secretariat Support	:	Ms	N	P	Kubheka
Interpreter	:	Mr	L	S	Mhlongo

7.1 : IDP POST MID – YEAR REVIEW 2022/2023

RESOLVED

- (a) That, Council adopts the amendment of the IDP 2022/23 in line with Section 34(a) and (b) of the Local Government Municipal Systems Act, Act N^o. 32 of 2000.
- (b) That, the resolutions of Chapter 5 and 7 be consolidated together.
- (c) That, Ward 6 be removed from the DWS project of upgrading of bulk services in Madadeni.
- (d) That, MIG project include not only ward 31 but all rural wards for VIP toilets.
- (e) That, the amended IDP be published to the public.

(iii)

7.2 : 2022/2023 MID – YEAR ADJUSTMENT BUDGET (T 6/1/1)

RESOLVED

- (a) That, the operating and capital mid-year adjustments budgets for the 2022/23 financial year be approved.
- (b) That, the revised Budget Funding Plan that is aligned to the adjustments budget be approved.
- (c) That, the adjustments budget of the uThukela Water be noted.
- (d) That, it be noted that the Integrated Development Plan (IDP) and Performance Management System (PMS) have been amended in line with the adjustments budget.
- (e) That, the Accounting Officer be mandated to submit the adjustments budget to National and Provincial Treasuries as required by Section 28(7) of the Municipal Finance Management Act N^o. 56 of 2003.
- (f) That, the Provincial Treasury's assessment of the mid-year review be noted.
- (g) That, the Provincial Treasury's assessment of the revised Budget Funding Plan approved on 03 January 2023 be noted.

7.3 : REVISED 2022/2023 PERFORMANCE MANAGEMENT SYSTEM

RESOLVED

- (a) That, the Executive Committee and Council approve the revised 2022/2023 Top-Layer Service Delivery Budget Implementation Plan (TLSDBIP).
- (b) That, the Top-Layer Service Delivery Budget Implementation Plan (TLSDBIP) be aligned to any adjustments on the 2022/2023 Budget and Integrated Development Plan (IDP).
- (c) That, the performance agreements for Section 56/57 employees be amended as per the revised Performance Management System, where applicable.

I, the undersigned, **ZAMOKWAKHE WESLEY MCINEKA**, in my capacity as **MUNICIPAL MANAGER** to the Newcastle Municipal Council, hereby certify the above as a true extract from the minutes of the special continuation Council meeting held on 01 March 2023.


Z.W. MCINEKA
MUNICIPAL MANAGER

Newcastle

**2022/23 MID-YEAR ADJUSTMENTS BUDGET: (T6/1/1-2022/23): BUDGET AND TREASURY OFFICE:
FEBRUARY 2023**

Ref. No : T 6/1/1 (2022/23)
Author : B.N Khumalo
1st Level : Executive Committee
2nd Level : Council
4th Level : Provincial and National Treasuries

1. PURPOSE

The purpose of this report is to request council approval of the mid-year adjustments budget in terms of section 28 of the MFMA. The report seeks to appraise council on the revisions made on the revenue and expenditure projections based on the performance of the first six months of the financial year and the adjusted national and provincial allocations. The report further seeks to obtain council approval on the approval of the revised Budget Funding Plan which is aligned to the adjustments budget.

2. BACKGROUND

Section 28(1)(2) of the Municipal Finance Management Act 56 of 2003 states that a municipality may revise an approved budget through an adjustment budget. In line with the above mid-year review performance, the municipality has considered that it is necessary to perform an adjustments budget in order to deal with the variances identified at mid-year. Through this process, the municipality will also deal with any unforeseen and unavoidable expenditure that might have been incurred during the year. The aim of this adjustments budget is also to ensure that the municipality is operating within realistic revenue while it continues to provide minimum service delivery through payment of creditors. When tabled, an adjustment budget must provide explanations of how the original budget will be affected.

3. DISCUSSION

This adjustments budget is submitted in terms of section 28 of the MFMA. It seeks to ensure that revenue and expenditure of the municipality is adjusted in line with the mid-year performance and the full-year forecast, while ensuring that the municipality keeps to its commitments of its approved Revised Budget Funding Plan.

4. OPERATING BUDGET

The operating budget of the municipality is reflected in table B4 of the B Schedule attached hereto as required by the Municipal Budget and Reporting Regulations.

Operating revenue

As reflected in table B4, the total operating revenue has been adjustment downwards by R434.8 million from the budget of R2 693 billion to the adjusted budget of R2 248 billion. Adjustments per each revenue source are explained below.

- Property rates has been adjusted to increase from R363.4 million to R376.1, representing an increase of R12.6 million. The increase is based on the year-to-date performance due to the supplementary valuation from additional and improvements in properties.
- Electricity service has been adjusted to increase from R751.8 million to R767.2 million, representing an increase of R15.3 million. The increase attributable to the increase in estimated consumption from the previous financial year, which took into account the impact of covid-19 restrictions. This increase is in line with current year year-to-date performance.
- Water service charges has been adjusted to increase from R199.9 million to R212.8 million, representing an increase of R12.9 million. The increase attributable to the increase in estimated water consumption from new developments. This increase is in line with the current year-to-date performance.
- Sanitation service charges has been adjusted to increase from R123.8 million to R127.9 million, representing an increase of R4.0 million. The increase attributable to the increase in estimated was consumption as well as new developments in the jurisdiction of Newcastle. This increase is in line with the current year-to-date performance.
- Refuse service charges has been adjusted to increase from R101.2 million to R103.7 million, representing an increase of R2.5 million. The increase attributable to the increase in estimated consumption as the covid-19 restrictions have been completely relaxed.
- Rental of facilities has been adjusted to decrease from R9.4 million to R8.3 million, representing a decrease of R1.1 million. The decrease is due to the properties which were disposed by the municipality in the previous financial year, the impact of which was still in the budget during the approval of the original budget.
- Interest on investments has been adjusted to increase from R3.1 million to R5.3 million, representing an increase of R2.1 million. The municipality has been very aggressive in investing the conditional grants and excess cash, which has seen huge increase from interest on investments in the first six months of the financial year. This pattern is expected to continue for the remainder of the financial year.
- Interest on outstanding debtors has been adjusted to increase from R4.0 million to R5.8 million, representing an increase of R1.8 million. This is linked to the additional performance on billable revenue on businesses.
- Fines, penalties and forfeiters has been adjusted to increase from R4.1 million to R4.5 million, representing an increase of R350 thousand. The increase attributable to the reinstatement of employees in the traffic department, which has resulted in more law enforcement in the area.
- Licences and permits has been adjusted to decrease from R47 thousand to R28 thousand, representing a decrease of R19 thousand.
- Transfers and subsidies – operational has been adjusted to decrease from R1.112 billion to R626.4 million, representing a decrease of R486.2 million. The decrease is based on the adjusted National and provincial allocations, as well as the movement of some of the grant-funded expenditure between the operating and capital budgets. In the main, the decrease is attributable to grant allocations from the Department of Human Settlements, which will no longer be transferred to the municipality due to the nature of the new agreements.
- Other revenue is projected to decrease from R19.4 million to R8.0 million, representing a decrease of R11.4 million. The decrease is due to the movement of amount earmarked for the proceeds on sale of properties to the cash flow in table A7/B7 as advised by Provincial Treasury during the assessment of the previous funding plan. Other items of other revenue that appear to under-perform have been adjusted downwards accordingly.
- Gains on proceeds of PPE has been adjusted to increase from R0 to R2.0 million. This appropriation is due to the gains on disposal of the Greenwich property that has already been sold by the municipality.

Operating expenditure

The operating expenditure of the municipality is reflected in table B4 of the B Schedule as required by the Municipal Budget and Reporting Regulations.

The total operating expenditure has been adjustment downwards by R513.7 million from original budget of R3 010 billion to the adjusted budget of R2 447 billion. Adjustments per each expenditure item are explained below.

- Employee costs has been adjusted to increase from R601.6 million to R636.4 million, representing an increase of R34.7 million. The increase is due to the appropriation of R57 million in respect of the reinstated employees with effect from 1st October 2022. However, overtime, group life scheme and new recruitments have been further reduced by R12 million, R4.5 million and R5.5 million as part of the cost containment measures to ensure a positive cash and cash equivalents during the year. The outer years have also been revised accordingly.
- Remuneration of councillors has been adjusted to decrease from R29.0 million to R27.3 million representing a decrease of R1.7 million. The recalculation has indicated that the provision in the original budget was overstated as it included the backpay of the Exco councillors as full-time office bearers for the period 01 November 2021 to 30 June 2022. This portion of the expenditure will be removed from the 2022/23 financial in line with the accrual basis of accounting.
- Debt impairment has been adjusted to increase from R286.0 million to R299.9 million, representing an increase of R13.9 million. The increase is due to the difference between the addition billable revenue appropriation and the collections on such revenue due to the collections rates currently achievable.
- Bulk electricity purchases has been adjusted to decrease from R605.1 million to R563.5 million, representing a decrease of R41.6 million. During the preparation of the original budget, the municipality has applied NERSA approved tariff based on the 2021/22 budget. Subsequent to the audited annual financial statements, the municipality has revised the 2022/23 calculation based on the actual consumption and the approved NERSA tariff. While the year-to-date of the past six months appears to indicate that bulk purchases performing more than the projection, it is however a common trend that electricity purchases are higher in the first 3 months of the financial year due to the winter consumption as well as the season tariff that is applied by Eskom. The cost is generally averaging lower in the remaining months of the financial year. The impact of load shedding is also expected to reduce the consumption of bulk purchases during the year.
- Depreciation: while underperformance of 5% is noted at mid-year this item will remain with the budget of R363 million. The calculations have been based on the asset register, while taking into account assets anticipated to be capitalised in the remaining part of the financial year. It is hoped that most projects which are still under construction will be completed by end of June 2023.
- No adjustment has been made with regards to the finance charges, the budget of R98.7 million remains unchanged. The budget for finance charges is based on the loan agreements and the amortisation schedules with the funding institutions.
- No adjustment has been made with regards to the water bulk purchases budget, the Uthukela Water's budget of R131 million remains unchanged. The entity has made a submission requesting an additional budget of R3.7 million. After due consideration the municipality is advising that such request cannot be accommodated at this stage due to the budget status (unfunded) of the municipality.
- Contracted services has been adjusted to decrease from R818.1 million to R248.9 million representing a decrease of R569.6 million. The decrease is attributable to proposed reduction in a number of expenditure items in order to achieve a more financially viable position, as well as the removal of housing grant-funded projects from the adjusted provincial allocation.

- Other expenditure has been adjusted to increase from R118.1 million to R118.3 million representing an increase of R168 thousand. The increase is attributable to movement of funds from capital to operating budget.

4. CAPITAL BUDGET

The capital expenditure of the municipality is reflected in table B5 of the B Schedule as required by the Municipal Budget and Reporting Regulations. Capital expenditure has been adjusted to increase from R209.0 million in the original budget to R214.2 million during the year, representing an increase of R5.2 million. The decrease is mainly due to the movement of projects from the capital to operating budget. This includes provision of the R3.3 million and R2.0 million from the vehicle replacement and the informal trade stores.

5. CASH FLOW BUDGET

The municipality is also planning to improve its collection rate of the five financial years in order to ensure that adequate revenue is collected. The following changes in table A7/B7 have been made from the original budget and the adjustments budget:

- Receipts from property rates have been adjusted to increase from R272.5 million to R282.0 million, representing an increase of R9.5 based on the payment factor of 75% as was presented in the original budget. The increase is due to the increase in property rates revenue as indicated in table A4/B4 above.
- Receipts from service charges have been adjusted to increase from R989.0 million to R1.015 billion, representing an increase of 26.8 million based revised year-to-date performance as indicated in table A4/B4. The collection rate of 96.7%, 60.8%, 56.4% and 69.7% have been maintained for electricity service charges, water service charges, sanitation service charges and refuse service charges as there were in the original budget.
- Receipts from government – operation are projected to decrease from R1.112 billion to R510.4 million, representing a decrease of R602.2 million. The decrease is attributable to the adjusted national and provincial grant allocations, particularly the removal of the housing grants from the KZN Department of Human Settlements. Other changes are due to the movement of grant funded projects between the capital and operating budget. The downward adjustment also takes into account an amount of R9.1 that was withheld by National Treasury due to the disapproval of unspent conditional grants.
- Receipts from government – capital has been adjusted to decrease from R191.0 million to R186.2 billion, representing a decrease of R 4.7 million. This represents a movement of grant funding which has been moved to fund the capital expenditure.
- Receipts from other revenue has been adjusted to decrease from R315.1 million to R294.3 million, representing a decrease of R20.8 million. The decrease is due to the recalculation of Vat relation to revenue and expenditure as a result of the revision of projections in tables A4/B4 and A5/B5. The collection rates of 100% have been for rental of facilities, licensing and permits, while 20% has been used for fines.
- Receipts from other interest has been adjusted to increase from R3.1 million to R5.3 million, representing an increase of R2.1 million. The decrease is due based on the year-to-date performance as indicated in table A4/B4. The collection rates of 100% and 0% have been used for the interest on investments and interest on outstanding debtors respectively.
- Supplies and employees has been adjusted to decrease by R601.2 million from R2.683 billion to R2.082 billion. The reduction is due to then reduction in operational expenditure as per financial performance in table A4/B4. Although the projection of suppliers and employees appears to increase steady over the duration of the plan due to unavoidable increase in order expenditure items, the increase will be covered from the corresponding increase in the receipts for rates and service charges. Sharp decrease is also

noted in year 2023/24 of the plan since the municipality will have finished paying the Eskom debt. However, in the same year, the municipality will commence with the payment of Eskom debt, at R54.3 million per year for a period of 3 years,

- Capital assets are projected to decrease from R209.0 to R214.2, representing an decrease of R5.2 million. The decrease is mainly due to the movement of projects from the capital to operating budget. This include provision of the R 3.3 million and R2.0 million from the vehicle replacement and the informal trade stores.
- Repayment of borrowing has been adjusted to increase from R32.1 million to R47.2 million, representing an increase of R15.1 million. The increase is due to the repayment of borrowings which was paid in July 2022, resulting the increase in the 2022/23 short-term portion as per the audited annual financial statements. The remainder of the projection in the plan are based on the amortisation schedule for the loan repayments.
- Cash and cash equivalents and the beginning of the year has increase from R62.5 million to R76.1 million, representing an increase of R13.5 million. The increase is based on the figure of cash and cash equivalents as per the 2021/22 audited annual financial statements.

6. RESERVES TO BE CASHED BACKED

The municipality aims to ensure that adequate reserves are generated to cover for any unspent conditional grants, provisions and reserves that are required to be cash backed in terms of GRAP and the municipal policies. By far possible, the municipality will ensure that all provisions and reserves have been reliably and adequately provided for. The municipality will also ensure that its working capital position improves over the planning period.

The following changes in table A6/B6 have been noted from the original budget and the projected adjustments budget:

- Cash is projected to increase from negative R14.0 million to R5.8 million, representing an increase of R19.9 million. The increase is due to the increase in the revenue and the reduction in expenditure and indicated in table A4/B4 above.
- Consumer debtors has been revised upwards from R594.1 million to 507.9 million, representing a decrease of R86 million. The decrease is due to the decrease in the portion of debt collectable as well as the review of the calculation debtors provision based on the available information. Although debtors are increasing steadily over a period of 5 years, the current strategies indicate that the municipality will be able to collect a portion thereof, which will assist with the payment of creditors as indicated the other working capital requirements in table A8/B8 below.
- Trade and payables has been revised upwards from R688 million to R804 million due the inclusion of the settlement for backpays of reinstated employees as well the recalculation based on the audited annual financial year and the current year's purchases and payments. It is also noted that trade and payables will decrease gradually of the duration of the plan from R804 million in the current year to R521 million in the 2026/27 financial due the municipality's provision to pay the Eskom, Uthukela Water, employee costs backpays and other creditors.
- Accumulated surplus has been revised to decrease by R183.12 million from the original budget of R6.776 billion to 6.593 billion. The decrease is based on the recalculation based on the revision of all other items of assets and liabilities based on the changes in the projected financial performance and the audited annual financial statements.
- Reserves are projected to increase from R30.2 million to R30.8 million, representing an increase of R644 thousand. The increase is due to a correction emanation from the audited annual financial statement. The original budget was based on the estimate on the information that was available in 2021/22 financial year.

7. LEGAL IMPLICATIONS

The submission seeks to comply with section 28 of the Municipal Finance Management Act, No. 56 of 2003, read together with regulations 21- 27 of the Municipal Budget and Reporting Regulations require, inter alia, that the Accounting Officer submit the Adjustments Budget to the Mayor, Provincial and National Treasury by the 28th of February of each year. Failure to have the adjustment budget approved within stipulated timeframe will result in non-compliance with the legislation and unfavourable actions from National and Provincial Treasuries.

8. POLICY IMPLICATIONS

The submission of the Mid Year Adjustments Budget seeks to ensure compliance with the Budget Policy as adopted by Council.

9. FINANCIAL IMPLICATIONS

Council is required to consider the Mid Year Adjustment as it assists with curbing any unforeseen and unavoidable expenditure that might have been incurred during the year that may impact the finances of the municipality.

10. RISKS

Failure to submit this report with result to non-compliance with the MFMA.

11. MANAGEMENT OF RISKS

This report has been submitted timeously to the Executive Committee and Council to ensure that the adjustments budget is approved on or before 28 February 2023.

12. RECOMMENDATIONS

- (a) that the operating and capital mid-year adjustments budgets for the 2022/23 financial year be approved;
- (b) that the Revised Budget Funding Plan that is aligned to the adjustments budget be approved;
- (c) that adjustments budget of the Uthukela Water be noted as attached;
- (d) that it be noted that the Integrated Development Plan (IDP) and PMS have been amended in line with the adjustments budget;
- (e) that the Accounting Officer be mandated to submit the adjustments budget to National and Provincial Treasuries as required by section 28(7) of Municipal Finance Management Act No.56 of 2003;
- (f) that the Provincial Treasury's assessment on the Mid-year review be noted.
- (g) that the Provincial Treasury's assessment of the Revised Budget Funding Plan approved on 03 January 2023 be noted;

13. SUPPORTING BUDGET SCHEDULES

The budget documents for the budget are attached hereto as follows:

Annexure A : Adjustment Budget Document

Annexure B : Operational budget

Annexure C : Capital budget

Annexure D : B Schedule budget tables


Annexure E : uThukela Water Adjustments Budget

Annexure F : Revised Budget Funding Plan

Annexure G : Provincial Treasury's Assessment of the Mid-year Budget Assessment

Annexure H : Provincial Treasury's Assessment of the Revised Budget Funding Plan Approved 3rd January 2023

Report prepared by:



Report seen by:

DX DUBE
PORTFOLIO COUNCILLOR
BUDGET AND TREASURY OFFICE



ZW MCINEKA
MUNICIPAL MANAGER

NEWCASTLE MUNICIPALITY
2023 -02- 2 8
MAYORS OFFICE

Annexure D:
B Schedule budget tables

KZN252 Newcastle - Table B1 Adjustments Budget Summary -

Description	Budget Year 2022/23									Budget Year +1	Budget Year +2
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
	A	A1	B	C	D	E	F	G	H		
R thousands											
Financial Performance											
Property rates	363,413	363,413	-	-	-	-	12,691	12,691	376,103	398,670	422,590
Service charges	1,176,842	1,176,842	-	-	-	-	34,920	34,920	1,211,762	1,299,813	1,394,374
Investment revenue	3,131	3,131	-	-	-	-	2,199	2,199	5,330	5,650	5,904
Transfers recognised - operational	1,112,707	1,102,707	-	-	-	(478,518)	2,235	(476,283)	626,424	775,621	850,438
Other own revenue	37,169	37,169	-	-	-	-	(8,386)	(8,386)	28,782	31,436	33,053
Total Revenue (excluding capital transfers and contributions)	2,693,263	2,683,263	-	-	-	(478,518)	43,658	(434,860)	2,248,402	2,511,190	2,706,359
Employee costs	601,653	567,833	-	-	-	5,474	63,107	68,582	636,414	682,925	714,340
Remuneration of councillors	29,060	25,710	-	-	-	-	1,452	1,452	27,163	28,443	29,580
Depreciation & asset impairment	363,160	363,160	-	-	-	-	-	-	363,160	379,139	396,200
Finance charges	35,846	35,846	-	-	-	-	-	-	35,846	31,705	28,256
Materials and bulk purchases	758,296	758,296	-	-	-	30	(41,147)	(41,117)	717,179	767,898	829,043
Transfers and grants	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	1,222,662	1,209,946	-	-	-	(503,466)	(39,182)	(542,648)	667,298	841,873	890,713
Total Expenditure	3,010,876	2,960,790	-	-	-	(497,961)	(15,769)	(513,730)	2,447,060	2,731,983	2,888,132
Surplus/(Deficit)	(317,613)	(277,528)	-	-	-	19,443	59,426	78,870	(198,658)	(220,793)	(181,773)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	191,032	201,032	-	-	-	(9,743)	(1,684)	(11,427)	189,605	157,183	104,950
Surplus/(Deficit) after capital transfers & contributions	(126,581)	(76,496)	-	-	-	9,701	57,742	67,443	(9,053)	(63,610)	(76,823)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(126,581)	(76,496)	-	-	-	9,701	57,742	67,443	(9,053)	(63,610)	(76,823)
Capital expenditure & funds sources											
Capital expenditure	209,033	221,233	-	-	-	(12,143)	5,209	(6,934)	214,299	170,083	117,850
Transfers recognised - capital	191,032	201,032	-	-	-	(12,143)	716	(11,427)	189,605	157,183	104,950
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	18,001	20,201	-	-	-	-	4,493	4,493	24,694	12,900	12,900
Total sources of capital funds	209,033	221,233	-	-	-	(12,143)	5,209	(6,934)	214,299	170,083	117,850
Financial position											
Total current assets	676,443	726,529	-	-	-	-	(116,306)	(116,306)	610,223	820,141	925,451
Total non current assets	7,238,673	7,238,673	-	-	-	-	-	-	7,238,673	7,394,889	7,554,687
Total current liabilities	692,762	732,058	-	-	-	-	141,192	141,192	873,249	867,739	825,841
Total non current liabilities	351,099	351,099	-	-	-	-	-	-	351,099	335,409	321,294
Community wealth/Equity	6,871,255	6,882,045	-	-	-	9,701	(267,199)	(257,498)	6,624,547	7,011,882	7,333,004
Cash flows											
Net cash from (used) operating	164,505	226,791	-	-	-	(109,031)	58,672	(50,359)	176,433	221,301	194,609
Net cash from (used) investing	(209,033)	(221,233)	-	-	-	(8,542)	30,316	21,774	(199,459)	(154,840)	(105,394)
Net cash from (used) financing	(32,106)	(32,106)	-	-	-	-	(15,154)	(15,154)	(47,260)	(34,082)	(35,156)
Cash/cash equivalents at the year end	(14,037)	38,049	-	-	-	(117,573)	87,406	(30,167)	5,881	38,260	92,319
Cash backing/surplus reconciliation											
Cash and investments available	(14,037)	36,049	-	-	-	-	(30,167)	(30,167)	5,881	38,260	92,319
Application of cash and investments	71,583	110,878	-	-	-	-	188,133	188,133	299,011	131,608	46,023
Balance - surplus (shortfall)	(85,620)	(74,830)	-	-	-	-	(218,300)	(218,300)	(293,130)	(93,348)	46,296
Asset Management											
Asset register summary (WDV)	7,238,673	7,238,673	-	-	-	-	-	-	7,238,673	7,552,021	7,854,102
Depreciation & asset impairment	363,160	363,160	-	-	-	-	-	-	363,160	379,139	396,200
Renewal and Upgrading of Existing Assets	102,648	112,648	-	-	-	(14,834)	28,379	13,545	126,193	131,983	78,700
Repairs and Maintenance	76,707	74,707	-	-	-	96	(27,333)	(27,237)	47,470	77,180	93,465
Free services											
Cost of Free Basic Services provided	54,699	54,699	-	-	-	-	-	-	54,699	50,406	53,238
Revenue cost of free services provided	95,398	95,398	-	-	-	-	(10,238)	(10,238)	85,160	87,619	97,857
Households below minimum service level											
Water:	313	-	-	-	-	-	-	-	313	319	326
Sanitation/sewerage:	35	-	-	-	-	-	-	-	35	36	37
Energy:	-	-	-	-	-	-	-	-	-	-	-
Refuse:	31	31	-	-	-	-	-	-	31	32	33

KZN252 Newcastle - Table B2 Adjustments Budget Financial Performance (functional classification) -

Standard Description	Ref	Budget Year 2022/23										Budget Year +1	Budget Year +2
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjus.	Total Adjus.	Adjusted Budget	Adjusted Budget	Adjusted Budget	
		A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H			
R thousands	1, 4	A	A1	B	C	D	E	F	G	H			
Revenue - Functional													
<i>Governance and administration</i>		514,453	514,453	-	-	-	1,513	18,765	20,278	534,732	589,155	638,588	
Executive and council		12,367	12,367	-	-	-	-	2,199	2,199	14,566	11,929	12,301	
Finance and administration		502,086	502,086	-	-	-	1,513	16,566	18,079	520,166	577,226	626,287	
Internal audit		-	-	-	-	-	-	-	-	-	-	-	
<i>Community and public safety</i>		640,739	640,739	-	-	-	(492,087)	(2,594)	(494,681)	146,058	303,801	317,470	
Community and social services		13,877	13,877	-	-	-	281	(1,799)	(1,518)	12,360	14,382	14,916	
Sport and recreation		11,139	11,139	-	-	-	-	-	-	11,139	10,243	20,152	
Public safety		4,138	4,138	-	-	-	-	-	350	350	4,488	6,243	
Housing		611,581	611,581	-	-	-	(492,368)	(1,146)	(493,514)	118,066	274,853	276,152	
Health		4	4	-	-	-	-	-	-	4	4	6	
<i>Economic and environmental services</i>		168,208	168,208	-	-	-	-	(9,129)	(9,129)	159,079	169,602	156,411	
Planning and development		39,067	39,067	-	-	-	-	(9,129)	(9,129)	29,938	34,516	15,001	
Road transport		129,141	129,141	-	-	-	-	-	-	129,141	135,086	141,410	
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	
<i>Trading services</i>		1,560,710	1,560,710	-	-	-	2,313	34,931	37,244	1,597,954	1,605,622	1,686,638	
Energy sources		835,626	835,626	-	-	-	-	15,389	15,389	851,014	930,566	1,018,003	
Water management		337,581	337,581	-	-	-	-	12,903	12,903	350,483	271,509	266,181	
Waste water management		243,101	243,101	-	-	-	2,313	4,083	6,397	249,498	251,074	257,046	
Waste management		144,402	144,402	-	-	-	-	2,556	2,556	146,958	152,473	157,409	
Other		184	184	-	-	-	-	-	-	184	193	201	
Total Revenue - Functional	2	2,884,295	2,884,295	-	-	-	(488,261)	41,973	(446,287)	2,438,007	2,668,373	2,811,309	
Expenditure - Functional													
<i>Governance and administration</i>		469,276	445,688	-	-	-	(160)	70,720	70,560	516,248	488,446	510,436	
Executive and council		101,198	93,961	-	-	-	-	7,293	7,293	101,254	105,651	110,405	
Finance and administration		367,328	350,992	-	-	-	(160)	63,418	63,258	414,251	382,012	399,213	
Internal audit		750	735	-	-	-	-	9	9	744	783	819	
<i>Community and public safety</i>		827,731	819,736	-	-	-	(511,593)	25,422	(486,171)	333,565	500,465	511,914	
Community and social services		43,629	42,049	-	-	-	208	(51)	157	42,205	45,487	47,530	
Sport and recreation		73,339	72,478	-	-	-	-	457	457	72,935	76,566	80,011	
Public safety		70,215	65,969	-	-	-	-	12,539	12,539	78,507	73,305	76,603	
Housing		630,591	629,783	-	-	-	(511,801)	11,733	(500,068)	129,716	294,714	296,907	
Health		9,956	9,458	-	-	-	-	744	744	10,202	10,394	10,862	
<i>Economic and environmental services</i>		266,056	262,819	-	-	-	-	3,250	3,250	266,089	277,727	290,383	
Planning and development		85,041	81,804	-	-	-	-	3,860	3,860	85,664	88,702	92,755	
Road transport		181,008	181,008	-	-	-	-	(610)	(610)	180,398	189,017	197,621	
Environmental protection		7	7	-	-	-	-	-	-	7	7	8	
<i>Trading services</i>		1,444,445	1,429,179	-	-	-	13,792	(114,935)	(101,143)	1,328,036	1,461,827	1,571,724	
Energy sources		742,466	740,865	-	-	-	-	(28,243)	(28,243)	712,622	783,134	821,015	
Water management		597,907	586,801	-	-	-	-	(183,876)	(183,876)	402,925	578,982	632,877	
Waste water management		60,542	60,542	-	-	-	13,792	35,970	49,762	110,304	54,286	70,340	
Waste management		43,530	40,971	-	-	-	-	61,214	61,214	102,185	45,446	47,491	
Other		3,369	3,369	-	-	-	-	(227)	(227)	3,142	3,517	3,675	
Total Expenditure - Functional	3	3,010,876	2,960,790	-	-	-	(497,961)	(15,769)	(513,730)	2,447,050	2,731,983	2,888,132	
Surplus/ (Deficit) for the year		(126,581)	(76,496)	-	-	-	9,701	57,742	67,443	(9,053)	(63,610)	(76,823)	

KZN252 Newcastle - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) -

Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2022/23									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H	+1 2023/24	+2 2024/25
R thousands												
Revenue by Vote	1											
Vote 1 - CORPORATE SERVICES		113,447	113,447	-	-	-	1,513	2,169	3,712	117,159	149,822	187,022
Vote 2 - COMMUNITY SERVICES		173,608	173,608	-	-	-	281	1,079	1,361	174,969	181,467	198,775
Vote 3 - BUDGET AND TREASURY		431,006	401,006	-	-	-	-	16,566	16,566	417,572	439,333	451,567
Vote 4 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-	-
Vote 5 - DEVELOPMENT PLANNING AND HUMAN SETTLEMENTS		647,031	647,031	-	-	-	(492,368)	(10,246)	(502,614)	144,416	305,763	287,554
Vote 6 - TECHNICAL SERVICES		713,576	713,576	-	-	-	2,313	16,986	19,299	732,876	661,422	666,389
Vote 7 - ELECTRICAL AND MECHANICAL SERVICES		835,626	835,626	-	-	-	-	15,389	15,389	851,014	930,566	1,018,003
Vote 8 - GOVERNANCE UNIT		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	2,884,295	2,884,295	-	-	-	(488,261)	41,973	(446,287)	2,438,007	2,668,373	2,811,309
Expenditure by Vote	1											
Vote 1 - CORPORATE SERVICES		106,832	99,563	-	-	-	-	8,242	8,242	107,805	111,532	116,561
Vote 2 - COMMUNITY SERVICES		306,684	291,670	-	-	-	208	78,144	78,352	370,022	320,095	334,496
Vote 3 - BUDGET AND TREASURY		192,074	188,502	-	-	-	(160)	54,895	54,695	243,196	199,048	208,015
Vote 4 - MUNICIPAL MANAGER		59,470	57,567	-	-	-	-	5,447	5,447	63,015	62,087	64,861
Vote 5 - DEVELOPMENT PLANNING AND HUMAN SETTLEMENTS		656,813	654,904	-	-	-	(511,801)	15,524	(496,277)	156,627	321,880	325,296
Vote 6 - TECHNICAL SERVICES		895,267	881,845	-	-	-	13,792	(148,665)	(134,873)	746,972	880,471	961,724
Vote 7 - ELECTRICAL AND MECHANICAL SERVICES		757,837	756,169	-	-	-	-	(27,157)	(27,157)	729,012	799,182	837,765
Vote 8 - GOVERNANCE UNIT		36,100	30,571	-	-	-	-	(2,159)	(2,159)	28,412	37,688	39,364
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	3,010,876	2,960,790	-	-	-	(487,961)	(15,769)	(513,730)	2,447,060	2,731,983	2,888,132
Surplus/ (Deficit) for the year	2	(126,581)	(76,496)	-	-	-	9,701	57,742	67,443	(19,053)	(63,610)	(76,823)

KZN252 Newcastle - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -

Description	Ref	Budget Year 2022/23									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjus.	Total Adjus.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		3	4	5	6	7	8	9	10	10	10	
R thousands	1	A	A1	B	C	D	E	F	G	H		
Revenue By Source												
Property rates	2	363,413	363,413	-	-	-	-	12,691	12,691	376,103	366,670	422,560
Service charges - electricity revenue	2	751,862	751,862	-	-	-	-	15,389	15,389	767,251	828,631	894,922
Service charges - water revenue	2	199,933	199,933	-	-	-	-	12,903	12,903	212,835	225,605	239,142
Service charges - sanitation revenue	2	123,818	123,818	-	-	-	-	4,083	4,083	127,901	135,575	143,710
Service charges - refuse revenue	2	101,228	101,229	-	-	-	-	2,545	2,545	103,774	110,001	116,601
Rental of facilities and equipment		9,452	9,452					(1,146)	(1,146)	8,306	9,868	10,312
Interest earned - external investments		3,131	3,131					2,199	2,199	5,330	5,850	5,904
Interest earned - outstanding debtors		4,001	4,001					1,876	1,876	5,877	6,230	6,603
Dividends received		-	-					-	-	-	-	-
Fines, penalties and forfeits		4,180	4,180					377	377	4,557	4,803	5,091
Licences and permits		48	48					(16)	(16)	32	48	48
Agency services		-	-					-	-	-	-	-
Transfers and subsidies		1,112,707	1,102,707				(478,518)	2,235	(476,283)	626,424	775,621	850,438
Other revenue	2	19,487	19,487					(11,478)	(11,478)	8,010	8,490	9,000
Gains		-	-					2,000	2,000	-	2,000	2,000
Total Revenue (excluding capital transfers and contributions)		2,693,263	2,683,283				(478,518)	43,658	(434,860)	2,248,402	2,511,190	2,706,359
Expenditure By Type												
Employee related costs		601,653	567,833				5,474	63,107	68,582	636,414	682,925	714,340
Remuneration of councillors		29,060	25,710					1,452	1,452	27,163	28,443	29,580
Debt Impairment		286,041	286,041					13,916	13,916	299,957	299,417	318,808
Depreciation & asset impairment		363,160	363,160					-	-	363,160	379,139	396,200
Finance charges		35,846	35,846					-	-	35,846	31,705	28,256
Bulk purchases		605,107	605,107					(41,605)	(41,605)	563,502	608,582	663,355
Other materials		153,188	153,188				30	459	489	153,677	159,318	165,688
Contracted services		818,029	809,233				(503,599)	(56,653)	(560,252)	248,981	419,567	443,465
Transfers and subsidies		-	-					-	-	-	-	-
Other expenditure		118,192	114,672				133	3,555	3,688	118,360	122,888	128,440
Losses		-	-					-	-	-	-	-
Total Expenditure		3,010,876	2,960,790				(487,961)	(15,769)	(513,730)	2,447,060	2,731,963	2,888,132
Surplus/(Deficit)		(317,613)	(277,528)				19,443	59,426	78,870	(198,658)	(220,793)	(181,773)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		191,032	201,032				(9,743)	(1,884)	(11,427)	189,605	157,183	104,950
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-					-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		(126,581)	(76,496)				9,701	57,742	67,443	(9,053)	(63,610)	(76,823)
Surplus/(Deficit) before taxation		(126,581)	(76,496)									
Taxation		-	-					-	-	-	-	-
Surplus/(Deficit) after taxation		(126,581)	(76,496)									
Attributable to minorities		(126,581)	(76,496)				9,701	57,742	67,443	(9,053)	(63,610)	(76,823)
Surplus/(Deficit) attributable to municipality		(126,581)	(76,496)									
Share of surplus/ (deficit) of associate		-	-					-	-	-	-	-
Surplus/ (Deficit) for the year		(126,581)	(76,496)				9,701	57,742	67,443	(9,053)	(63,610)	(76,823)

KZN252 Newcastle - Table B5 Adjustments Capital Expenditure Budget by vote and funding -

Description	Ref	Budget Year 2022/23									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavokd.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	5	6	7	8	9	10	11	12		
R thousands												
Capital expenditure - Vote												
Multi-year expenditure to be adjusted	2											
Vote 1 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - BUDGET AND TREASURY		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-	-
Vote 5 - DEVELOPMENT PLANNING AND HUMAN SETTLEMENTS		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - ELECTRICAL AND MECHANICAL SERVICES		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - GOVERNANCE UNIT		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	3	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be adjusted	2											
Vote 1 - CORPORATE SERVICES		-	-	-	-	-	582	-	562	582	-	-
Vote 2 - COMMUNITY SERVICES		11,345	11,345	-	-	-	(7)	860	853	12,197	10,097	20,000
Vote 3 - BUDGET AND TREASURY		2,900	2,900	-	-	-	160	270	430	3,330	2,900	2,900
Vote 4 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-	-
Vote 5 - DEVELOPMENT PLANNING AND HUMAN SETTLEMENTS		25,001	25,001	-	-	-	(1,400)	5,765	4,365	29,365	20,000	-
Vote 6 - TECHNICAL SERVICES		169,788	181,888	-	-	-	(11,478)	(1,885)	(13,164)	166,824	137,088	94,950
Vote 7 - ELECTRICAL AND MECHANICAL SERVICES		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - GOVERNANCE UNIT		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		209,033	221,233	-	-	-	(12,143)	5,209	(6,934)	214,299	170,083	117,850
Total Capital Expenditure - Vote		209,033	221,233	-	-	-	(12,143)	5,209	(6,934)	214,299	170,083	117,850
Capital Expenditure - Functional												
Governance and administration		2,900	2,900	-	-	-	742	270	1,012	3,912	2,900	2,900
Executive and council		-	-	-	-	-	-	-	-	-	-	-
Finance and administration		2,900	2,900	-	-	-	742	270	1,012	3,912	2,900	2,900
Internal audit		-	-	-	-	-	-	-	-	-	-	-
Community and public safety		11,345	11,345	-	-	-	593	1,248	1,841	13,186	10,097	20,000
Community and social services		345	345	-	-	-	(7)	305	298	642	-	-
Sport and recreation		11,000	11,000	-	-	-	-	544	544	11,544	10,097	20,000
Public safety		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	600	400	1,000	1,000	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		118,141	130,341	-	-	-	42	(56,575)	(56,533)	73,808	50,200	46,250
Planning and development		25,101	25,101	-	-	-	(2,000)	5,365	3,365	28,466	20,200	250
Road transport		93,040	105,240	-	-	-	2,042	(61,940)	(59,898)	45,342	30,000	46,000
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		76,648	76,648	-	-	-	(13,520)	60,266	46,746	123,393	106,886	48,700
Energy sources		-	-	-	-	-	-	-	-	-	-	-
Water management		49,648	49,648	-	-	-	(7,487)	55,200	47,713	97,361	70,400	45,000
Waste water management		27,000	27,000	-	-	-	(6,034)	5,055	(979)	26,021	36,486	3,700
Waste management		-	-	-	-	-	-	11	11	11	-	-
Other		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	209,033	221,233	-	-	-	(12,143)	5,209	(6,934)	214,299	170,083	117,850
Funded by:												
National Government		174,688	184,688	-	-	-	(13,049)	-	(13,049)	171,638	147,086	84,950
Provincial Government		16,345	16,345	-	-	-	906	716	1,622	17,967	10,097	20,000
District Municipality		-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National/ Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	191,032	201,032	-	-	-	(12,143)	716	(11,427)	189,605	157,183	104,950
Borrowing		-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		18,001	20,201	-	-	-	-	4,493	4,493	24,694	12,900	12,900
Total Capital Funding		209,033	221,233	-	-	-	(12,143)	5,209	(6,934)	214,299	170,083	117,850

KZN252 Newcastle - Table B6 Adjustments Budget Financial Position -

Description	Ref	Budget Year 2022/23									Budget Year +1	Budget Year +2
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	NaL. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3	4	5	6	7	8	9	10		
R thousands												
ASSETS												
Current assets												
Cash		(14,037)	36,049					(30,167)	(30,167)	5,881	38,260	92,319
Call investment deposits	1	-	-					-	-	-	-	-
Consumer debtors	1	594,134	594,134	-	-	-	-	(86,139)	(86,139)	507,995	681,681	728,924
Other debtors		81,351	81,351							81,351	84,605	87,990
Current portion of long-term receivables		-	-							-	-	-
Inventory		14,995	14,995							14,995	15,594	16,218
Total current assets		676,443	726,529	-	-	-	-	(116,306)	(116,306)	610,223	820,141	925,451
Non current assets												
Long-term receivables		-	-							-	-	-
Investments		-	-							-	-	-
Investment property		341,874	341,874							341,874	355,549	369,771
Investment in Associate		217,333	217,333							217,333	226,027	235,068
Property, plant and equipment	1	6,666,531	6,666,531	-	-	-	-	-	-	6,666,531	6,799,862	6,935,859
Biological		-	-							-	-	-
Intangible		1,224	1,224							1,224	1,273	1,324
Other non-current assets		11,711	11,711							11,711	12,179	12,667
Total non current assets		7,238,673	7,238,673	-	-	-	-	-	-	7,238,673	7,394,689	7,554,687
TOTAL ASSETS		7,915,116	7,965,202	-	-	-	-	(116,306)	(116,306)	7,848,895	8,215,030	8,480,139
LIABILITIES												
Current liabilities												
Bank overdraft		-	-							-	-	-
Borrowing		(32,106)	(32,106)	-	-	-	-	64,211	64,211	32,106	34,062	35,156
Consumer deposits		27,095	27,095							27,095	28,179	29,306
Trade and other payables		688,021	727,316	-	-	-	-	76,981	76,981	804,297	795,337	750,832
Provisions		9,752	9,752							9,752	10,142	10,548
Total current liabilities		692,762	732,058	-	-	-	-	141,192	141,192	873,249	867,739	825,841
Non current liabilities												
Borrowing	1	260,654	260,654	-	-	-	-	-	-	260,654	241,346	223,468
Provisions	1	90,445	90,445	-	-	-	-	-	-	90,445	94,063	97,825
Total non current liabilities		351,099	351,099	-	-	-	-	-	-	351,099	335,409	321,294
TOTAL LIABILITIES		1,043,861	1,083,156	-	-	-	-	141,192	141,192	1,224,348	1,203,148	1,147,135
NET ASSETS	2	6,871,255	6,882,045	-	-	-	-	(257,498)	(257,498)	6,624,547	7,011,882	7,333,004
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		6,841,013	6,851,803	-	-	-	-	9,701	(267,843)	(258,143)	6,593,660	6,980,431
Reserves		30,242	30,242	-	-	-	-	645	645	30,887	31,452	32,710
TOTAL COMMUNITY WEALTH/EQUITY		6,871,255	6,882,045	-	-	-	-	9,701	(267,199)	(257,498)	6,624,547	7,011,882

KZN252 Newcastle - Table B7 Adjustments Budget Cash Flows -

Description	Ref	Budget Year 2022/23									Budget Year +1	Budget Year +2
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
R thousands												
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates		272,560	272,560					9,517	9,517	282,077	302,989	321,168
Service charges		989,000	989,000					26,802	26,802	1,015,802	1,106,148	1,187,664
Other revenue		315,172	315,172					(20,845)	(20,845)	294,327	267,163	275,545
Transfers and Subsidies - Operational	1	1,112,707	1,102,707				(592,246)		(592,246)	510,460	869,077	945,028
Transfers and Subsidies - Capital	1	191,032	201,032				(14,746)		(14,746)	186,286	157,183	104,950
Interest		3,131	3,131					2,199	2,199	5,330	5,650	5,904
Dividends		-	-					-	-	-	-	-
Payments												
Suppliers and employees		(2,883,251)	(2,620,965)				(497,961)	(41,000)	(538,961)	(2,082,004)	(2,455,204)	(2,617,395)
Finance charges		(35,846)	(35,846)							(35,846)	(31,705)	(28,756)
Transfers and Grants	1	-	-							-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		164,505	226,791	-	-	-	(109,931)	58,672	(50,359)	176,433	221,301	194,609
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE		-	-					14,841	14,841	14,841	15,243	12,456
Decrease (increase) in non-current receivables		-	-							-	-	-
Decrease (increase) in non-current investments		-	-							-	-	-
Payments												
Capital assets		(299,033)	(221,233)				(8,542)	15,476	6,934	(214,299)	(170,083)	(117,850)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(299,033)	(221,233)	-	-	-	(8,542)	30,316	21,774	(199,459)	(154,840)	(105,394)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans										-	-	-
Borrowing long term/refinancing										-	-	-
Increase (decrease) in consumer deposits										-	-	-
Payments												
Repayment of borrowing		(32,106)	(32,106)					(15,154)	(15,154)	(47,260)	(34,082)	(35,156)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(32,106)	(32,106)	-	-	-	-	(15,154)	(15,154)	(47,260)	(34,082)	(35,156)
NET INCREASE/ (DECREASE) IN CASH HELD		(76,633)	(26,547)	-	-	-	(117,573)	73,834	(43,739)	(70,286)	32,379	54,059
Cash/cash equivalents at the year begin:	2	62,596	62,596					13,571	13,571	76,167	5,881	38,260
Cash/cash equivalents at the year end:	2	(14,037)	35,049				(117,573)	87,406	(30,167)	5,881	38,260	92,319

KZN252 Newcastle - Table B8 Cash backed reserves/accumulated surplus reconciliation -

Description	Ref	Budget Year 2022/23											Budget Year +1 2023/24		Budget Year +2 2023/24			
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget			
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H								
R thousands																		
Cash and investments available																		
Cash/cash equivalents at the year end	1	(14,037)	36,049	-	-	-	(117,573)	87,406	(30,167)	5,881	38,260	92,319						
Other current investments > 90 days		-	(0)	-	-	-	117,573	(117,573)	-	(0)	-	-						
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-						
Cash and investments available:		(14,037)	36,049	-	-	-	-	(30,167)	(30,167)	5,881	38,260	92,319						
Applications of cash and investments																		
Unspent conditional transfers		26,776	26,776	-	-	-	-	179,522	179,522	206,298	156,298	106,298						
Unspent borrowing		-	-	-	-	-	-	-	-	-	-	-						
Statutory requirements		17,103	17,103	-	-	-	-	5,571	5,571	22,674	23,808	24,999						
Other working capital requirements	2	(13,945)	25,351	-	-	-	-	(8,508)	(8,508)	16,843	(104,357)	(144,249)						
Other provisions		11,406	11,406	-	-	-	-	10,902	10,902	22,308	23,423	24,595						
Long term investments committed		-	-	-	-	-	-	-	-	-	-	-						
Reserves to be backed by cash/investments		30,242	30,242	-	-	-	-	645	645	30,887	32,434	34,381						
Total Application of cash and investments:		71,583	110,878	-	-	-	-	188,133	188,133	299,011	131,608	46,023						
Surplus(shortfall)		(85,620)	(74,830)	-	-	-	-	(218,300)	(218,300)	(293,130)	(93,348)	46,296						

KZN252 Newcastle - Table B9 Asset Management -

Description	Ref	Budget Year 2022/23									Budget Year +1	Budget Year +2
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
R thousands												
CAPITAL EXPENDITURE												
Total New Assets to be adjusted	1	106,386	108,586	-	-	-	2,691	(23,169)	(20,478)	88,107	38,100	39,150
Roads Infrastructure		77,941	77,941	-	-	-	(958)	(50,000)	(50,958)	26,983	20,000	36,000
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		20,000	20,000	-	-	-	2,313	28,000	30,313	50,313	15,000	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		97,941	97,941	-	-	-	1,355	(22,000)	(20,645)	77,296	35,000	36,000
Community Facilities		345	345	-	-	-	(7)	1,380	1,373	1,718	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	-
Community Assets		345	345	-	-	-	(7)	1,380	1,373	1,718	-	-
Heritage Assets		-	-	-	-	-	-	150	150	150	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets	6	-	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		2,900	2,900	-	-	-	490	(2,042)	(1,552)	1,348	3,000	3,050
Machinery and Equipment		5,200	7,400	-	-	-	852	(4,658)	(3,805)	3,595	100	100
Transport Assets		-	-	-	-	-	-	4,000	4,000	4,000	-	-
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets to be adjusted	2	10,000	10,000	-	-	-	(6,000)	15,360	9,360	19,360	10,000	10,000
Roads Infrastructure		10,000	10,000	-	-	-	(6,000)	15,360	9,360	19,360	10,000	10,000
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		10,000	10,000	-	-	-	(6,000)	15,360	9,360	19,360	10,000	10,000
Community Facilities		-	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Other Assets	6	-	-	-	-	-	-	-	-	-	-	-
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		-	-	-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets to be adjusted	2a	92,648	102,648	-	-	-	(8,834)	13,019	4,185	106,833	121,983	68,700
Roads Infrastructure		20,000	30,000	-	-	-	-	(8,339)	(8,339)	21,661	20,000	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		29,648	29,648	-	-	-	(3,800)	3,200	(600)	29,048	55,400	45,000
Sanitation Infrastructure		27,000	27,000	-	-	-	(6,034)	4,344	(1,690)	25,310	36,486	3,700
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		76,648	86,648	-	-	-	(8,834)	(785)	(10,628)	76,019	111,886	46,700
Community Facilities		5,000	5,000	-	-	-	(2,000)	-	(2,000)	3,000	-	-
Sport and Recreation Facilities		11,000	11,000	-	-	-	3,000	10,009	13,009	24,009	10,097	20,000
Community Assets		16,000	16,000	-	-	-	1,000	10,009	11,009	27,009	10,097	20,000

Heritage Assets	-	-	-	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	3,805	3,805	3,805	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets	6	-	-	-	-	-	3,805	3,805	3,805	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure to be adjusted	4	209,033	221,233	-	-	-	(12,143)	5,210	(6,933)	214,300	170,083	117,850
Roads Infrastructure	-	107,941	117,941	-	-	-	(6,958)	(42,979)	(49,936)	68,005	50,000	46,000
Storm water Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	-	49,648	49,648	-	-	-	(1,487)	31,200	29,713	79,361	70,400	45,000
Sanitation Infrastructure	-	27,000	27,000	-	-	-	(6,034)	4,344	(1,690)	25,310	36,486	3,700
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure	-	184,589	194,589	-	-	-	(14,478)	(7,435)	(21,913)	172,676	156,886	94,700
Community Facilities	-	5,345	5,345	-	-	-	(2,007)	1,380	(627)	4,718	-	-
Sport and Recreation Facilities	-	11,000	11,000	-	-	-	3,000	10,009	13,069	24,009	10,097	20,000
Community Assets	-	16,345	16,345	-	-	-	993	11,389	12,382	26,727	10,097	20,000
Heritage Assets	-	-	-	-	-	-	-	150	150	150	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	3,805	3,805	3,805	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	3,805	3,805	3,805	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	2,900	2,900	-	-	-	490	(2,042)	(1,552)	1,348	3,000	3,050
Machinery and Equipment	-	5,200	7,400	-	-	-	852	(4,658)	(3,805)	3,595	100	100
Transport Assets	-	-	-	-	-	-	-	4,000	4,000	4,000	-	-
Land	-	-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE to be adjusted	4	209,033	221,233	-	-	-	(12,143)	5,210	(6,933)	214,300	170,083	117,850
ASSET REGISTER SUMMARY - PPE (WDV)	5	7,238,673	7,238,673	-	-	-	-	-	-	7,238,673	7,552,021	7,854,102
Roads Infrastructure	-	4,381,409	4,381,409	-	-	-	-	-	-	4,381,409	4,586,665	4,738,932
Storm water Infrastructure	-	403,293	403,293	-	-	-	-	-	-	403,293	419,424	436,201
Electrical Infrastructure	-	281,304	281,304	-	-	-	-	-	-	281,304	282,557	304,259
Water Supply Infrastructure	-	673,375	673,375	-	-	-	-	-	-	673,375	700,310	728,322
Sanitation Infrastructure	-	719,688	719,688	-	-	-	-	-	-	719,688	748,475	778,414
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure	-	6,459,069	6,459,069	-	-	-	-	-	-	6,459,069	6,717,431	6,986,129
Community Assets	-	111,127	111,127	-	-	-	-	-	-	111,127	115,572	120,195
Heritage Assets	-	12,664	12,664	-	-	-	-	-	-	12,664	13,170	13,697
Investment properties	-	386,700	386,700	-	-	-	-	-	-	386,700	402,168	418,255
Other Assets	-	214,050	214,050	-	-	-	-	-	-	214,050	246,414	256,270
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	1,914	1,914	-	-	-	-	-	-	1,914	1,960	2,070
Computer Equipment	-	-	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-	-	-	-
Land	-	53,148	53,148	-	-	-	-	-	-	53,148	55,275	57,488
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	7,238,673	7,238,673	-	-	-	-	-	-	7,238,673	7,552,021	7,854,102
EXPENDITURE OTHER ITEMS												
Depreciation & asset impairment		363,160	363,160	-	-	-	-	-	-	363,160	379,139	396,200

Repairs and Maintenance by asset class	3	76,707	74,707	-	-	-	96	(27,333)	(27,237)	47,470	77,180	93,465
<i>Roads Infrastructure</i>		4,697	4,697	-	-	-	-	(500)	(500)	4,197	4,903	5,124
<i>Storm water Infrastructure</i>		16,786	16,786	-	-	-	-	(3,061)	(3,061)	13,726	17,529	18,322
<i>Electrical Infrastructure</i>		9,433	9,433	-	-	-	-	(500)	(500)	8,933	9,848	10,291
<i>Water Supply Infrastructure</i>		4,750	4,750	-	-	-	-	(1,454)	(1,454)	3,296	10,997	10,671
<i>Sanitation Infrastructure</i>		23,011	23,011	-	-	-	-	(20,750)	(20,750)	2,261	15,064	29,365
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		58,677	58,677	-	-	-	-	(26,265)	(26,265)	32,412	58,362	73,804
<i>Community Facilities</i>		1,465	1,465	-	-	-	-	(411)	(411)	1,054	1,530	1,596
<i>Sport and Recreation Facilities</i>		268	268	-	-	-	-	-	-	268	280	292
Community Assets		1,733	1,733	-	-	-	-	(411)	(411)	1,322	1,809	1,891
<i>Heritage Assets</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Revenue Generating</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Non-revenue Generating</i>		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
<i>Operational Buildings</i>		3,378	3,378	-	-	-	96	(19)	77	3,455	3,527	3,686
<i>Housing</i>		679	679	-	-	-	-	264	264	943	709	741
Other Assets		4,057	4,057	-	-	-	96	245	341	4,398	4,236	4,428
<i>Biological or Cultivated Assets</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Servitudes</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>		3,784	1,784	-	-	-	-	1,144	1,144	2,928	3,951	4,128
Intangible Assets		3,784	1,784	-	-	-	-	1,144	1,144	2,928	3,951	4,128
<i>Computer Equipment</i>		2,300	2,300	-	-	-	-	(2,300)	(2,300)	-	2,401	2,509
<i>Furniture and Office Equipment</i>		33	33	-	-	-	-	-	-	33	30	28
<i>Machinery and Equipment</i>		6,122	6,122	-	-	-	-	255	255	6,377	6,391	6,679
<i>Transport Assets</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Land</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Zoo's, Marine and Non-biological Animals</i>	6	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS to be adjusted		439,866	437,866	-	-	-	96	(27,333)	(27,237)	410,630	456,319	489,665
<i>Renewal and upgrading of Existing Assets as % of total capex</i>		49.1%	50.9%							58.9%	77.6%	66.8%
<i>Renewal and upgrading of Existing Assets as % of deprecn"</i>		28.3%	31.0%							34.7%	34.8%	19.9%
<i>R&M as a % of PPE</i>		1.1%	1.0%							0.7%	1.0%	1.2%
<i>Renewal and upgrading and R&M as a % of PPE</i>		2.5%	2.6%							2.4%	2.8%	2.2%

KZN252 Newcastle - Table B10 Basic service delivery measurement -

Description	Ref	Budget Year 2022/23										Budget Year +1 2023/24	Budget Year +2 2024/25
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget	
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H			
Household service targets	1												
Water:													
Piped water inside dwelling		154 672								155	157 765	160 921	
Piped water inside yard (but not in dwelling)		118 728								117	119 063	121 444	
Using public tap (at least min.service level)	2	31 249								31	31 674	32 511	
Other water supply (at least min.service level)		2 104								2	2 146	2 168	
<i>Minimum Service Level and Above sub-total</i>		305								305	311	317	
Using public tap (< min.service level)	3	304 193								304	310 277	316 462	
Other water supply (< min service level)	3.4	-								-	-	-	
No water supply		8 916								9	9 087	9 278	
<i>Below Minimum Service Level sub-total</i>		313								313	319	326	
Total number of households	5	618								618	630	643	
Sanitation/Sewerage:													
Flush toilet (connected to sewerage)		221,343								221,343	225,770	230,285	
Flush toilet (with septic tank)		1,328								1,326	1,353	1,380	
Chemical toilet		-								-	-	-	
Pit toilet (ventilated)		50,388								50,398	51 408	52 434	
Other toilet provisions (> min.service level)		16 364								16,364	16 691	17 025	
<i>Minimum Service Level and Above sub-total</i>		289,431								289,431	295,219	301,124	
Bucket toilet		-								-	-	-	
Other toilet provisions (< min.service level)		35,446								35,446	36,155	36,878	
No toilet provisions		-								-	-	-	
<i>Below Minimum Service Level sub-total</i>		35,446								35,446	36,155	36,878	
Total number of households	5	324,876								324,876	331,374	338,001	
Energy:													
Electricity (at least min. service level)		57 358								57,358	58 505	59 675	
Electricity - prepaid (> min.service level)		3,231								3,231	3,296	3,361	
<i>Minimum Service Level and Above sub-total</i>		60,588								60,588	61,800	63,036	
Electricity (< min service level)		-								-	-	-	
Electricity - prepaid (< min. service level)		-								-	-	-	
Other energy sources		-								-	-	-	
<i>Below Minimum Service Level sub-total</i>		-								-	-	-	
Total number of households	5	60,588								60,588	61,800	63,036	
Refuse:													
Removed at least once a week (min service)		60 383							40	60,423	61 831	62 864	
<i>Minimum Service Level and Above sub-total</i>		60,383							40	60,423	61,831	62,864	
Removed less frequently than once a week		2,107	2107 32							2,107	2,148	2,192	
Using communal refuse dump		1 480	1480 02							1,480	1,510	1,540	
Using own refuse dump		24 281	24281 1							24,281	24 767	25,262	
Other rubbish disposal		2 381	2380 68							2,381	2,428	2,477	
No rubbish disposal		1,044	1044 48							1,044	1,065	1,087	
<i>Below Minimum Service Level sub-total</i>		31,294	31,294							31,294	31,819	32,558	
Total number of households	5	91,677	31,294						40	91,717	93,551	95,422	
Households receiving Free Basic Service	15												
Water (6 kilolitres per household per month)		9	9							9	10	10	
Sanitation (free minimum level service)		9	9							9	10	10	
Electricity/other energy (50kwh per household per month)		10	10							10	10	10	
Refuse (removed at least once a week)		9	9							9	10	10	
Cost of Free Basic Services provided (R'000)	16												
Water (6 kilolitres per indigent household per month)		10,123	10,123							10,123	8,840	9,238	
Sanitation (free sanitation service to indigent households)		16,498	16,498							16,498	16,705	17,457	
Electricity/other energy (50kwh per indigent household per month)		9,881	9,881							9,881	10,233	11,257	
Refuse (removed once a week for indigent households)		16,196	16,196							16,196	14,628	15,286	
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		-	-							-	-	-	
Total cost of FBS provided		54,699	54,699							54,699	50,406	53,238	
Highest level of free service provided													
Property rates (R'000 value threshold)													
Water (kilolitres per household per month)													
Sanitation (kilolitres per household per month)													
Sanitation (Rand per household per month)													
Electricity (kw per household per month)													
Refuse (average litres per week)													
Revenue cost of free services provided (R'000)	17												
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)													
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		95,398	95,398							95,398	87,619	97,857	
Water (in excess of 6 kilolitres per indigent household per month)		-	-							-	-	-	
Sanitation (in excess of free sanitation service to indigent households)		-	-							-	-	-	
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-							-	-	-	
Refuse (in excess of one removal a week for indigent households)		-	-							-	-	-	
Municipal Housing - rental rebates													
Housing - top structure subsidies													
Other	6								(10,238)	(10,238)	(10,238)		
Total revenue cost of subsidised services provided		95,398	95,398						(10,238)	(10,238)	85,160	97,857	

KZN252 Newcastle - Supporting Table SB1 Supporting detail to 'Budgeted Financial Performance' -

Description	Ref	Budget Year 2022/23									Budget Year +1 2023/24	Budget Year +2 2024/25	
		Original Budget A	Prior Adjusted 6 A1	Accum. Funds 7 B	Multi-year capital 8 C	Unfore. Unavoid. 9 D	Nat. or Prov. Govt 10 E	Other Adjusts. 11 F	Total Adjusts. 12 G	Adjusted Budget 13 H	Adjusted Budget	Adjusted Budget	
R thousands													
REVENUE ITEMS													
Property rates													
Total Property Rates		458 811	458 811						12 691	12 691	471 502	486 289	520 447
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		95 398	95 398						-	-	95 398	87 619	97 857
Net Property Rates		363 413	363 413						12 691	12 691	376 103	398 670	422 590
Service charges - electricity revenue													
Total Service charges - electricity revenue		761 743	761 743						15 389	15 389	777 132	838 865	906 178
less Revenue Foregone (in excess of 50 kwh per indigent household per month)		-	-						-	-	-	-	-
less Cost of Free Basis Services (50 kwh per indigent household per month)		9 881	9 881						-	-	9 881	10 233	11 257
Net Service charges - electricity revenue		751 862	751 862						15 389	15 389	767 251	828 631	894 922
Service charges - water revenue													
Total Service charges - water revenue		210 056	210 056						12 903	12 903	222 959	234 446	248 380
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)		-	-						-	-	-	-	-
less Cost of Free Basis Services (6 kilolitres per indigent household per month)		10 123	10 123						-	-	10 123	8 840	9 238
Net Service charges - water revenue		199 933	199 933						12 903	12 903	212 835	225 605	239 142
Service charges - sanitation revenue													
Total Service charges - sanitation revenue		142 316	142 316						4 083	4 083	146 400	152 280	161 167
less Revenue Foregone (in excess of free sanitation service to indigent households)		-	-						-	-	-	-	-
less Cost of Free Basis Services (free sanitation service to indigent households)		16 498	16 498						-	-	16 498	16 705	17 457
Net Service charges - sanitation revenue		123 818	123 818						4 083	4 083	127 901	135 575	143 710
Service charges - refuse revenue													
Total refuse removal revenue		117 426	117 426						2 545	2 545	119 971	124 628	131 887
Total landfill revenue		-	-						-	-	-	-	-
less Revenue Foregone (in excess of one removal a week to indigent households)		-	-						-	-	-	-	-
less Cost of Free Basis Services (removed once a week to indigent households)		16 196	16 196						-	-	16 196	14 628	15 286
Net Service charges - refuse revenue		101 229	101 229						2 545	2 545	103 774	110 001	116 601
Other Revenue By Source													
Fuel Levy		-	-						-	-	-	-	-
Other Revenue		19 487	19 487 788						-11 477 885	(11 478)	8 010	8 490	9 000
Total Other Revenue	1	19 487	19 487						(11 478)	(11 478)	8 010	8 490	9 000
EXPENDITURE ITEMS													
Employee related costs													
Basic Salaries and Wages		384 302	350 482					5 474	64 603	70 077	420 559	456 011	477 215
Pension and UIF Contributions		68 040	68 040						7 237	7 237	75 277	74 034	74 230
Medical Aid Contributions		24 104	24 104						2 904	2 904	27 008	25 184	26 297
Overtime		33 239	33 239						(9 349)	(9 349)	23 890	34 702	36 264
Performance Bonus		-	-						-	-	-	-	-
Motor Vehicle Allowance		23 699	23 699						2 238	2 238	25 937	24 741	25 655
Cellphone Allowance		-	-						-	-	-	-	-
Housing Allowances		7 407	7 407						939	939	8 345	7 732	8 080
Other benefits and allowances		26 623	26 623						(6 004)	(6 004)	18 618	27 794	29 045
Payments in lieu of leave		29 201	29 201						2 764	2 764	31 965	30 486	31 858
Long service awards		5 039	5 039						(224)	(224)	4 814	5 260	5 497
Post-retirement benefit obligations		-	-						-	-	-	-	-
sub-total	4	601 653	567 833					5 474	63 107	68 582	636 414	682 925	714 340
Less Employee costs capitalised to PPE		-	-						-	-	-	-	-
Total Employee related costs	1	601 653	567 833					5 474	63 107	68 582	636 414	682 925	714 340
Depreciation & asset impairment													
Depreciation of Property, Plant & Equipment		363 160	363 160						-	-	363 160	379 139	396 200
Lease amortisation		-	-						-	-	-	-	-
Capital asset impairment		-	-						-	-	-	-	-
Total Depreciation & asset impairment	1	363 160	363 160								363 160	379 139	396 200
Bulk purchases													
Electricity Bulk Purchases		605 107	605 107						(41 605)	(41 605)	563 502	608 582	663 355
Water Bulk Purchases		-	-						-	-	-	-	-
Total bulk purchases	1	605 107	605 107						(41 605)	(41 605)	563 502	608 582	663 355
Transfers and grants													
Cash transfers and grants		-	-						-	-	-	-	-

KZN252 Newcastle - Supporting Table SB2 Supporting detail to 'Financial Position Budget' -

Description	Ref	Current Year 2022/23									Budget Year +1 2023/24	Budget Year +2 2024/25
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	4	5	6	7	8	9	10	11		
		A	A1	B	C	D	E	F	G	H		
ASSETS												
Consumer debtors												
Consumer debtors		594 134	594 134					(86 139)	(86 139)	507 995	681 681	728 924
Less: provision for debt impairment		-	-	-	-	-	-	-	-	-	-	-
Total Consumer debtors	1	594 134	594 134	-	-	-	-	(86 139)	(86 139)	507 995	681 681	728 924
Debt impairment provision												
Balance at the beginning of the year												
Contributions to the provision												
Bad debts written off												
Balance at end of year		-	-	-	-	-	-	-	-	-	-	-
Property, plant & equipment												
PPE at cost/valuation (excl. finance leases)		6 686 531	6 686 531							6 668 531	6 799 862	6 935 859
Leases recognised as PPE	2											
Less: Accumulated depreciation												
Total Property, plant & equipment	1	6 686 531	6 686 531	-	-	-	-	-	-	6 668 531	6 799 862	6 935 859
LIABILITIES												
Current liabilities - Borrowing												
Short term loans (other than bank overdraft)												
Current portion of long-term liabilities		(32 106)	(32 106)					64 211	64 211	32 106	34 082	35 156
Total Current liabilities - Borrowing		(32 106)	(32 106)	-	-	-	-	64 211	64 211	32 106	34 082	35 156
Trade and other payables												
Trade Payables		661 245	700 540					(102 542)	(102 542)	597 999	639 038	644 533
Other creditors												
Unspent conditional transfers		26 776	26 776					179 522	179 522	206 298	156 298	106 298
VAT												
Total Trade and other payables	1	688 021	727 316	-	-	-	-	76 981	76 981	804 297	795 337	750 832
Non current liabilities - Borrowing												
Borrowing	3	260 654	260 654							260 654	241 346	223 468
Finance leases (including PPP asset element)												
Total Non current liabilities - Borrowing		260 654	260 654	-	-	-	-	-	-	260 654	241 346	223 468
Provisions - non current												
Retirement benefits		35 733	35 733							35 733	37 162	38 649
Refuse landfill site rehabilitation		54 712	54 712							54 712	56 901	59 177
Other												
Total Provisions - non current		90 445	90 445	-	-	-	-	-	-	90 445	94 063	97 825
CHANGES IN NET ASSETS												
Accumulated surplus/(Deficit)												
Accumulated surplus/(Deficit) - opening balance		6 967 594	6 928 299					(325 586)	(325 586)	6 802 713	7 044 041	7 377 116
GRAP adjustments												
Restated balance		6 967 594	6 928 299					(325 586)	(325 586)	6 802 713	7 044 041	7 377 116
Surplus/(Deficit)		(126 581)	(76 496)					9 701	57 742	67 443	(63 610)	(76 823)
Transfers to/from Reserves												
Depreciation offsets												
Other adjustments												
Accumulated Surplus/(Deficit)	1	6 841 013	6 851 803	-	-	-	9 701	(267 843)	(258 143)	6 593 660	6 980 431	7 300 294
Reserves												
Housing Development Fund		29 807	29 807					645	645	30 451	30 999	32 239
Capital replacement												
Self-insurance		435	435							435	453	471
Other reserves												
Revaluation												
Total Reserves	2	30 242	30 242	-	-	-	-	645	645	30 887	31 452	32 710
TOTAL COMMUNITY WEALTH/EQUITY	2	6 871 255	6 882 045	-	-	-	9 701	(267 199)	(257 498)	6 624 547	7 011 882	7 333 004

KZN252 Newcastle - Supporting Table SB4 Adjustments to budgeted performance indicators and benchmarks -

Description of financial indicator	Basis of calculation	2018/19	2019/20	2020/21	Current Year 2022/23			Budget Year +1	Budget Year +2
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Prior Adjusted	Adjusted Budget	Adjusted Budget	Adjusted Budget
Borrowing Management									
Credit Rating	Short term/long term rating								
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	4,0%	3,5%	3,8%	2,3%	2,3%	3,4%	2,4%	2,2%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	6,6%	5,3%	5,8%	0,0%	0,0%	0,0%	0,0%	0,0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Safety of Capital									
Gearing	Long Term Borrowing/ Funds & Reserves	1618,4%	1406,9%	1342,1%	861,9%	861,9%	843,9%	767,4%	683,2%
Liquidity									
Current Ratio	Current assets/current liabilities	148,8%	93,7%	92,9%	97,6%	99,2%	69,9%	94,5%	112,1%
Current Ratio adjusted for aged debtors	Current assets/current liabilities less debtors > 90 days/current liabilities	148,8%	93,7%	92,9%	97,6%	99,2%	0,0%	0,0%	0,0%
Liquidity Ratio	Monetary Assets/Current Liabilities	10,7%			0,0	0,0	0,0	0,0	0,1
Revenue Management									
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing			77,9%					
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		80,2%	77,9%	105,7%					
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	44,6%	42,3%	44,3%	25,1%	25,2%	26,2%	30,5%	30,2%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old				0,0%	0,0%	0,0%	0,0%	0,0%
Creditors Management									
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))								
Creditors to Cash and Investments		903,0%	8025,8%	2548,2%	-4901,4%	2017,6%	13675,5%	2078,8%	813,3%
Other Indicators									
Electricity Distribution Losses (2)	Total Volume Losses (kW)								
	Total Cost of Losses (Rand '000)								
	% Volume (units purchased and generated less units sold)/units purchased and generated								
Water Distribution Losses (2)	Total Volume Losses (kt)								
	Total Cost of Losses (Rand '000)								
	% Volume (units purchased and generated less units sold)/units purchased and generated								
Employee costs	Employee costs/(Total Revenue - capital revenue)	33,1%	30,3%	27,9%	22,3%	21,2%	28,3%	27,2%	26,4%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	34,5%	31,2%	29,2%					
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	7,5%	4,7%	3,8%	2,8%	2,8%	2,1%	3,1%	3,5%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	30,0%	23,0%	20,1%	14,8%	14,9%	17,7%	16,4%	15,7%
IDP regulation financial viability indicators									
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	5729,2%	3917,6%	4262,7%	2402,5%	2402,5%	2465,5%	2737,0%	2926,8%
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	59,3%	60,1%	67,2%	22,1%	22,1%	22,6%	27,1%	26,9%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	48,9%	8,1%	27,4%	0,0	0,0	0,0	0,0	0,0

References

1. Consumer debtors > 12 months old are excluded from current assets
2. Only include if services provided by the municipality

Calculation data

Debtors > 90 days

KZN252 Newcastle - Supporting Table SB7 Adjustments Budget - transfers and grant receipts -

Description	Ref	Current Year 2022/23							Budget Year	Budget Year
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7 A1	8 B	9 C	10 D	11 E	12 F		
R thousands										
RECEIPTS:	1, 2									
<u>Operating Transfers and Grants</u>										
National Government:		494 958	484 958	-	4 490	-	4 490	489 448	583 779	658 246
Local Government Equitable Share		466 902	466 902		(9 142)		(9 142)	457 760	500 929	537 742
Integrated National Electrification Programme	3	-	-				-	-	8 000	11 494
Finance Management Grant		1 850	1 850		(160)		(160)	1 690	1 850	1 850
Water Services Infrastructure Grant (WSIG)		-	-				-	-	50 000	50 700
Municipal Infrastructure Grant (MIG)		22 453	12 453		13 792		13 792	26 245	23 000	56 460
EPWP Incentive		3 753	3 753				-	3 753	-	-
Other transfers and grants [insert description]		-	-				-	-	-	-
Provincial Government:		617 749	617 749	-	(596 736)	-	(596 736)	21 012	281 237	275 379
Level 2 accreditation		5 439	5 439		2 690		2 690	8 129	5 439	5 439
Museums Services		105	105		7		7	111	476	476
Community Library Services Grant	4	2 595	2 595		254		254	2 849	2 595	2 595
Housing		123 885	123 885		(123 885)		(123 885)	-	93 456	94 590
Housing Title Deeds		-	-				-	-	-	-
Provincialisation of Libraries		6 992	6 992				-	6 992	6 992	-
EDTEA Grant(Trade Stalls)		-	-		2 000		2 000	2 000	-	-
LGSETA		-	-		931		931	931	-	-
ISU Partnership Grant	5	478 733	478 733		(478 733)		(478 733)	-	172 279	172 279
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	6	1 112 707	1 102 707	-	(592 246)	-	(592 246)	510 460	865 016	933 625
<u>Capital Transfers and Grants</u>										
National Government:		174 688	184 688	-	(13 632)	-	(13 632)	171 056	147 086	99 950
Neighbourhood Development Partnership		20 000	20 000				-	20 000	20 000	15 000
Municipal Infrastructure Grant (MIG)		106 688	116 688		(13 792)		(13 792)	102 896	112 086	84 950
Integrated National Electrification Programme		-	-				-	-	-	-
Emergency efficiency & demand side management		-	-				-	-	-	-
Water Intervention Project		-	-				-	-	-	-
Finance Management Grant		-	-		160		160	160	-	-
Water Services Infrastructure Grant (WSIG)		48 000	48 000				-	48 000	15 000	-
Provincial Government:		11 345	11 345	-	886	-	886	12 230	10 448	20 000
Sport and Recreation		11 000	11 000				-	11 000	10 097	20 000
LGSETA		-	-		582		582	582	-	-
Housing Accreditation Grant		-	-		310		310	310	351	-
Museum		345	345		(7)		(7)	338	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		5 000	5 000	-	(2 000)	-	(2 000)	3 000	-	-
EDTEA Grant(Airport Upgrade)		3 000	3 000				-	3 000	-	-
EDTEA Grant(Trade Stalls)		2 000	2 000		(2 000)		(2 000)	-	-	-
Total Capital Transfers and Grants	6	191 032	201 032	-	(14 746)	-	(14 746)	186 286	157 534	119 950
TOTAL RECEIPTS OF TRANSFERS & GRANTS		1 303 739	1 303 739	-	(606 992)	-	(606 992)	696 747	1 022 550	1 053 575

KZN252 Newcastle - Supporting Table SB8 Adjustments Budget - expenditure on transfers and grant programme -

Description	Ref	Current Year 2022/23							Budget Year +1 2023/24	Budget Year +2 2024/25
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	2 A1	3 B	4 C	5 D	6 E	7 F		
R thousands										
EXPENDITURE ON TRANSFERS AND GRANT PROGRAM:	1									
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		494 958	484 958	-	4 490	-	4 490	489 448	583 779	658 246
Local Government Equitable Share		466 902	466 902		(9 142)		(9 142)	457 760	500 929	537 742
Integrated National Electrification Programme		-	-				-	-	8 000	11 494
Finance Management Grant		1 850	1 850		(160)		(160)	1 690	1 850	1 850
Water Services Infrastructure Grant (WSIG)		-	-				-	-	50 000	50 700
Municipal Infrastructure Grant (MIG)		22 453	12 453		13 792		13 792	26 245	23 000	56 460
EPWP Incentive		3 753	3 753				-	3 753	-	-
Other transfers and grants [insert description]		-	-				-	-	-	-
Provincial Government:		617 749	617 749	-	(596 736)	-	(596 736)	21 012	281 237	275 379
Level 2 accreditation		5 439	5 439		2 690		2 690	8 129	5 439	5 439
Museums Services		105	105		7		7	111	476	476
Community Library Services Grant		2 595	2 595		254		254	2 849	2 595	2 595
Housing		123 885	123 885		(123 885)		(123 885)	-	93 456	94 590
Housing Title Deeds		-	-				-	-	-	-
Provincialisation of Libraries		6 992	6 992				-	6 992	6 992	-
EDTEA Grant(Trade Stalls)		-	-		2 000		2 000	2 000	-	-
LGSETA		-	-		931		931	931	-	-
ISU Partneship Grant		478 733	478 733		(478 733)		(478 733)	-	172 279	172 279
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		1 112 707	1 102 707	-	(592 246)	-	(592 246)	510 460	865 016	933 625
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		174 688	184 688	-	(13 632)	-	(13 632)	171 056	147 086	99 950
Neighbourhood Development Partnership		20 000	20 000				-	20 000	20 000	15 000
Municipal Infrastructure Grant (MIG)		106 688	116 688		(13 792)		(13 792)	102 896	112 086	84 950
Integrated National Electrification Programme		-	-				-	-	-	-
Ernergy efficiency & demand side management		-	-				-	-	-	-
Water Intervension Project		-	-				-	-	-	-
Finance Management Grant		-	-		160		160	160	-	-
Water Services Infrastructure Grant (WSIG)		48 000	48 000				-	48 000	15 000	-
Provincial Government:		11 345	11 345	-	886	-	886	12 230	10 097	20 000
Sport and Recreation		11 000	11 000				-	11 000	10 097	20 000
LGSETA		-	-		582		582	582	-	-
Housing Accreditation Grant		-	-		310		310	310	-	-
Museum		345	345		(7)		(7)	338	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
Other grant providers:		5 000	5 000	-	(2 000)	-	(2 000)	3 000	-	-
EDTEA Grant(Airport Upgrade)		3 000	3 000				-	3 000	-	-
EDTEA Grant(Trade Stalls)		2 000	2 000		(2 000)		(2 000)	-	-	-
Total capital expenditure of Transfers and Grants		191 032	201 032	-	(14 746)	-	(14 746)	186 286	157 183	119 950
Total capital expenditure of Transfers and Grants		1 303 739	1 303 739	-	(606 992)	-	(606 992)	696 747	1 022 199	1 053 575

KZN252 Newcastle - Supporting Table SB11 Adjustments Budget - councillor and staff benefits -

Summary of remuneration	Ref	Budget Year 2022/23										% change
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget		
		A	5	6	7	8	9	10	11	12		
R thousands												
Councillors (Political Office Bearers plus Other)												
Basic Salaries and Wages		16 029	12 679					2 100	2 100	14 779	-7,8%	
Pension and UIF Contributions		2 018	2 018					(54)	(54)	1 964	-2,7%	
Medical Aid Contributions		113	113					15	15	128	13,6%	
Motor Vehicle Allowance		6 552	6 552					(334)	(334)	6 218	-5,1%	
Cellphone Allowance		3 150	3 150					(257)	(257)	2 893		
Housing Allowances		1 199	1 199					(19)	(19)	1 180		
Other benefits and allowances		-	-					-	-	-		
Sub Total - Councillors		29 060	25 710					1 452	1 452	27 163	-6,5%	
% increase			(0)							0		
Senior Managers of the Municipality												
Basic Salaries and Wages		8 748	8 748					-	-	8 748	0,0%	
Pension and UIF Contributions		911	911					-	-	911	0,0%	
Medical Aid Contributions		114	114					-	-	114	0,0%	
Overtime		-	-					-	-	-		
Performance Bonus		471	471					-	-	471		
Motor Vehicle Allowance		1 121	1 121					-	-	1 121	0,0%	
Cellphone Allowance		-	-					-	-	-		
Housing Allowances		-	-					-	-	-		
Other benefits and allowances		-	-					-	-	-		
Payments in lieu of leave		-	-					-	-	-		
Long service awards		-	-					-	-	-		
Post-retirement benefit obligations		-	-					-	-	-		
Sub Total - Senior Managers of Municipality	5	11 365	11 365					-	-	11 365	0,0%	
% increase			-							-		
Other Municipal Staff												
Basic Salaries and Wages		374 905	341 085					5 474	45 162	391 721	4,5%	
Pension and UIF Contributions		67 129	67 129					8 147	8 147	75 276	12,1%	
Medical Aid Contributions		23 990	23 990					3 018	3 018	27 008	12,6%	
Overtime		33 239	33 239					-	-	33 239	0,0%	
Performance Bonus		28 730	28 730					3 233	3 233	31 962		
Motor Vehicle Allowance		23 227	23 227					2 710	2 710	25 937	11,7%	
Cellphone Allowance		-	-					-	-	-		
Housing Allowances		7 407	7 407					838	838	8 244		
Other benefits and allowances		26 623	26 623					-	-	26 623		
Payments in lieu of leave		-	-					-	-	-		
Long service awards		5 039	5 039					-	-	5 039	0,0%	
Post-retirement benefit obligations		-	-					-	-	-		
Sub Total - Other Municipal Staff	5	590 287	556 467					5 474	63 107	625 049	5,9%	
% increase			-5,6%							5,9%		
Total Parent Municipality		630 713	593 543					5 474	64 560	70 034	5,2%	
Board Members of Entities												
Basic Salaries and Wages		-	-					-	-	-		
Pension and UIF Contributions		-	-					-	-	-		
Medical Aid Contributions		-	-					-	-	-		
Overtime		-	-					-	-	-		
Performance Bonus		-	-					-	-	-		
Motor Vehicle Allowance		-	-					-	-	-		
Cellphone Allowance		-	-					-	-	-		
Housing Allowances		-	-					-	-	-		
Other benefits and allowances		-	-					-	-	-		
Board Fees		-	-					-	-	-		
Payments in lieu of leave		-	-					-	-	-		
Long service awards		-	-					-	-	-		
Post-retirement benefit obligations		-	-					-	-	-		
Sub Total - Board Members of Entities	5	-	-					-	-	-		
% increase			-							-		
Senior Managers of Entities												
Basic Salaries and Wages		-	-					-	-	-		
Pension and UIF Contributions		-	-					-	-	-		
Medical Aid Contributions		-	-					-	-	-		
Overtime		-	-					-	-	-		
Performance Bonus		-	-					-	-	-		

Motor Vehicle Allowance									-	-	
Cellphone Allowance									-	-	
Housing Allowances									-	-	
Other benefits and allowances									-	-	
Payments in lieu of leave									-	-	
Long service awards									-	-	
Post-retirement benefit obligations	5								-	-	
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	-	-	
% increase											
Other Staff of Entities											
Basic Salaries and Wages									-	-	
Pension and UIF Contributions									-	-	
Medical Aid Contributions									-	-	
Overtime									-	-	
Performance Bonus									-	-	
Motor Vehicle Allowance									-	-	
Cellphone Allowance									-	-	
Housing Allowances									-	-	
Other benefits and allowances									-	-	
Payments in lieu of leave									-	-	
Long service awards									-	-	
Post-retirement benefit obligations	5								-	-	
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-	-	
% increase											
Total Municipal Entities		-	-	-	-	-	-	-	-	-	
TOTAL SALARY, ALLOWANCES & BENEFITS											
		630 713	593 543	-	-	-	5 474	64 560	70 034	663 577	5,2%
% increase											
TOTAL MANAGERS AND STAFF		601 653	567 833	-	-	-	5 474	63 107	68 582	636 414	5,8%

KZN252 Newcastle - Supporting Table SB13 Adjustments Budget - monthly revenue and expenditure (functional classification) -

R thousands	Description - Standard classification	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework			
			July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	
			Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
Revenue - Functional			92 157	32 536	32 271	32 329	35 270	32 971	54 726	24 529	60 059	23 988	25 043	50 854	334 732	589 155	638 588	
	Governance and administration		2 005	765	952	831	1 162	626	1 460	519	636	519	481	4 607	14 566	11 920	12 301	
	Executive and council		90 151	31 771	31 320	31 497	32 108	32 345	53 266	24 009	59 423	23 469	24 559	86 247	320 166	377 226	626 287	
	Finance and administration																	
	Internal audit																	
	Community and public safety		3 984	2 214	3 453	12 026	14 753	2 981	23 011	11 139	10 803	20 873	21 912	18 899	146 058	303 801	317 470	
	Community and social services		1 022	1 032	1 201	1 065	839	345	1 296	77	513	567	920	2 881	12 350	14 382	14 916	
	Community and social services																	
	Sport and recreation			1	0	70	20		160		14	9	29	10 801	11 139	10 243	20 152	
	Public safety		58	253	533	446	769	877	280	36	214	246	217	348	4 488	4 320	6 243	
	Housing		2 903	827	1 718	10 445	13 134	1 157	21 266	10 790	10 062	20 051	20 746	4 886	118 086	274 853	276 152	
	Health		1	0	0	0	0	0						3	4	4	6	
	Economic and environmental services		13 469	17 965	12 736	19 899	9 028	10 457	12 369	14 145	15 824	16 273	8 791	8 182	159 079	169 602	158 411	
	Planning and development		181	4 067	1 260	6 767	3 679	262	1 064	1 375	3 471	2 316	2 474	3 023	29 938	34 516	15 001	
	Road transport		13 288	13 838	11 476	13 132	5 349	10 195	11 306	12 771	12 352	13 957	6 318	5 159	129 141	135 086	141 410	
	Environmental protection																	
	Trading services		296 308	107 024	116 161	90 692	99 308	107 443	148 545	100 407	90 298	137 227	123 115	247 426	1 597 954	1 605 622	1 698 638	
	Energy services		99 900	72 711	69 641	59 825	57 330	67 217	99 084	42 375	39 471	80 318	57 474	144 691	851 014	930 586	1 018 003	
	Water management		53 204	15 673	21 406	20 700	22 223	16 593	41 308	19 771	22 352	23 957	36 318	56 981	350 483	271 503	266 181	
	Waste water management		57 711	10 031	10 515	10 587	10 930	13 716	20 285	27 192	17 288	27 891	18 342	24 942	249 499	281 074	257 046	
	Waste management		25 463	6 609	6 599	8 571	8 825	9 917	17 910	11 070	11 207	4 964	10 981	20 812	146 558	152 473	157 409	
	Other		15	15	16	14	9	15	15	14	11	11	11	39	184	189	201	
	Total Revenue - Functional		345 933	159 683	158 637	154 951	156 379	153 867	238 666	150 233	176 996	198 372	178 873	365 400	2 438 007	2 668 373	2 811 309	
Expenditure - Functional			29 614	38 586	40 770	41 151	30 761	40 168	38 816	26 807	37 917	30 176	50 323	113 159	516 248	488 446	510 436	
	Governance and administration		7 467	12 692	10 749	8 081	8 552	7 287	5 724	6 517	8 532	6 624	7 038	12 181	101 254	105 651	110 405	
	Executive and council		22 074	25 828	29 878	32 948	22 163	32 880	31 091	20 200	29 397	23 585	43 234	100 974	414 251	382 012	399 213	
	Finance and administration		72	66	143	123	37	1	90	88	67	67	52	4	744	783	819	
	Internal audit																	
	Community and public safety		16 136	15 812	20 371	29 492	30 839	35 594	22 275	25 245	32 476	25 162	32 634	47 619	333 955	500 465	511 914	
	Community and social services		2 918	3 127	3 242	4 002	3 179	4 623	507	2 252	2 029	1 986	1 936	12 105	42 205	45 487	47 530	
	Sport and recreation		4 633	4 845	6 803	6 838	5 654	7 014	6 627	6 520	5 277	5 982	4 656	7 906	72 035	76 565	80 011	
	Public safety		4 183	5 148	6 888	7 481	7 127	9 220	4 080	4 449	3 295	3 715	5 004	18 526	78 507	73 305	76 603	
	Housing		3 745	1 693	3 590	10 283	14 107	14 078	10 458	10 552	20 315	13 178	20 262	6 277	129 716	294 714	295 807	
	Health		680	789	857	738	772	659	644	882	669	300	575	2 806	10 202	10 384	10 682	
	Economic and environmental services		7 078	7 749	59 220	37 647	39 213	27 091	15 906	12 562	10 738	13 281	10 555	26 237	266 069	277 727	290 383	
	Planning and development		6 197	7 363	7 042	7 004	6 480	8 444	6 083	5 151	8 139	8 415	8 831	5 447	85 664	88 702	92 755	
	Road transport		292	386	51 179	29 543	32 720	16 648	9 822	7 061	2 959	4 806	1 724	20 798	180 369	189 017	197 621	
	Environmental protection																	
	Trading services		97 599	93 692	85 971	92 377	89 555	81 605	100 637	100 910	121 079	132 657	116 222	214 723	1 328 036	1 461 827	1 571 724	
	Energy services		71 379	60 301	44 397	54 513	46 444	51 323	55 103	53 840	63 690	64 398	63 158	83 329	712 622	783 134	821 115	
	Water management		22 587	24 004	30 077	17 467	32 540	20 900	39 329	38 797	51 680	50 242	46 063	20 258	402 935	578 962	632 877	
	Waste water management		1 783	6 120	4 529	10 462	2 894	122	3 473	5 209	5 207	7 723	4 610	57 762	110 304	54 265	70 340	
	Waste management		2 250	3 667	5 657	9 944	7 677	9 170	2 725	3 664	1 560	1 595	2 301	52 784	102 165	45 446	47 491	
	Other		6		8		27	916	281	163	116	440	316	491	3 142	3 517	3 675	
	Total Expenditure - Functional		150 833	155 839	204 740	200 447	190 595	185 888	175 838	166 078	203 228	202 016	210 044	402 239	2 447 060	2 731 983	2 819 132	
	Surplus/(Deficit) 1.		195 100	3 854	(46 103)	(45 486)	(34 017)	(31 907)	(37 172)	(15 845)	(26 239)	(3 644)	(31 171)	(36 839)	(9 053)	(63 610)	(76 823)	

KZN252 Newcastle - Supporting Table SE16 Adjustments Budget - monthly capital expenditure (municipal vote) -

Description - Municipal Vote	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	
		Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands																	
Multi-year expenditure appropriation	1																
Vote 1 - CORPORATE SERVICES																	
Vote 2 - COMMUNITY SERVICES																	
Vote 3 - BUDGET AND TREASURY																	
Vote 4 - MUNICIPAL MANAGER																	
Vote 5 - DEVELOPMENT PLANNING AND HUMAN SETTLEMENTS																	
Vote 6 - TECHNICAL SERVICES																	
Vote 7 - ELECTRICAL AND MECHANICAL SERVICES																	
Vote 8 - GOVERNANCE UNIT																	
Vote 9 - [NAME OF VOTE 9]																	
Vote 10 - [NAME OF VOTE 10]																	
Vote 11 - [NAME OF VOTE 11]																	
Vote 12 - [NAME OF VOTE 12]																	
Vote 13 - [NAME OF VOTE 13]																	
Vote 14 - [NAME OF VOTE 14]																	
Vote 15 - [NAME OF VOTE 15]																	
Capital Multi-year expenditure sub-total	3																
Single-year expenditure appropriation																	
Vote 1 - CORPORATE SERVICES																	
Vote 2 - COMMUNITY SERVICES																	
Vote 3 - BUDGET AND TREASURY																	
Vote 4 - MUNICIPAL MANAGER																	
Vote 5 - DEVELOPMENT PLANNING AND HUMAN SETTLEMENTS																	
Vote 6 - TECHNICAL SERVICES																	
Vote 7 - ELECTRICAL AND MECHANICAL SERVICES																	
Vote 8 - GOVERNANCE UNIT																	
Vote 9 - [NAME OF VOTE 9]																	
Vote 10 - [NAME OF VOTE 10]																	
Vote 11 - [NAME OF VOTE 11]																	
Vote 12 - [NAME OF VOTE 12]																	
Vote 13 - [NAME OF VOTE 13]																	
Vote 14 - [NAME OF VOTE 14]																	
Vote 15 - [NAME OF VOTE 15]																	
Capital single-year expenditure sub-total	3	11 489	13 050	13 399	15 299	11 422	8 693	23 308	22 000	24 750	34 500	15 554	20 736	214 299	170 083	117 850	
Total Capital Expenditure	2	11 489	13 050	13 399	15 299	11 422	8 693	23 308	22 000	24 750	34 500	15 554	20 736	214 299	170 083	117 850	

Lend										-	-		
Zoo's Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals										-	-		
Total Capital Expenditure on new assets to be adjusted	1	106 386	108 586	-	-	-	2 691	(23 169)	(20 478)	88 107	38 100	39 150	

Libraries													
Cemeteries/Crematoria													
Police													
Parks													
Public Open Space													
Nature Reserves													
Public Ablution Facilities													
Markets													
Stalls													
Abattoirs													
Airports													
Taxi Ranks/Bus Terminals													
Capital Spares													
Sport and Recreation Facilities													
Indoor Facilities													
Outdoor Facilities													
Capital Spares													
Heritage assets													
Monuments													
Historic Buildings													
Works of Art													
Conservation Areas													
Other Heritage													
Investment properties													
Revenue Generating													
Improved Property													
Unimproved Property													
Non-revenue Generating													
Improved Property													
Unimproved Property													
Other assets													
Operational Buildings													
Municipal Offices													
Pay/Enquiry Points													
Building Plan Offices													
Workshops													
Yards													
Stores													
Laboratories													
Training Centres													
Manufacturing Plant													
Depots													
Capital Spares													
Housing													
Staff Housing													
Social Housing													
Capital Spares													
Biological or Cultivated Assets													
Biological or Cultivated Assets													
Intangible Assets													
Servitudes													
Licences and Rights													
Water Rights													
Effluent Licenses													
Solid Waste Licenses													
Computer Software and Applications													
Load Settlement Software Applications													
Unspecified													
Computer Equipment													
Computer Equipment													
Furniture and Office Equipment													
Furniture and Office Equipment													
Machinery and Equipment													
Machinery and Equipment													
Transport Assets													
Transport Assets													
Land													
Land													
Zoo's Marine and Non-biological Animals													
Zoo's Marine and Non-biological Animals													
Total Capital Expenditure on renewal of existing assets to be adjusted	1	10 000	10 000	-	-	-	(6 000)	15 360	9 360	19 360	10 000	10 000	

Zoo's Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure to be adjusted	1	76 707	74 707	-	-	-	96	(27 333)	(27 237)	47 470	77 180	93 465

Nature Reserves	-	-	-	-	-	-	-	-	-	-
Public Ablution Facilities	120	120	-	-	-	-	-	120	125	131
Markets	-	-	-	-	-	-	-	-	-	-
Stalls	375	375	-	-	-	-	-	375	392	409
Abattoirs	-	-	-	-	-	-	-	-	-	-
Airports	2 922	2 922	-	-	-	-	-	2 922	3 051	3 188
Taxi Ranks/Bus Terminals	2	2	-	-	-	-	-	2	2	2
Capital Spares	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	5 061	5 061	-	-	-	-	-	5 061	5 284	5 522
Indoor Facilities	2 728	2 728	-	-	-	-	-	2 728	2 848	2 976
Outdoor Facilities	2 333	2 333	-	-	-	-	-	2 333	2 436	2 546
Capital Spares	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-	-	-
Investment Properties	-	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-	-
Other assets	16 724	16 724	-	-	-	-	-	16 724	17 460	18 245
Operational Buildings	16 724	16 724	-	-	-	-	-	16 724	17 460	18 245
Municipal Offices	16 724	16 724	-	-	-	-	-	16 724	17 460	18 245
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-
Staff Housing	-	-	-	-	-	-	-	-	-	-
Social Housing	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-	-
Water Rights	-	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	-	-	-	-	-	-	-	-	-
Local Settlement Software Applications	-	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-	-
Computer Equipment	2 366	2 366	-	-	-	-	-	2 366	2 470	2 581
Computer Equipment	2 366	2 366	-	-	-	-	-	2 366	2 470	2 581
Furniture and Office Equipment	2 422	2 422	-	-	-	-	-	2 422	2 528	2 642
Furniture and Office Equipment	2 422	2 422	-	-	-	-	-	2 422	2 528	2 642
Machinery and Equipment	15 095	15 095	-	-	-	-	-	15 095	15 759	16 468
Machinery and Equipment	15 095	15 095	-	-	-	-	-	15 095	15 759	16 468
Transport Assets	5 111	5 111	-	-	-	-	-	5 111	5 336	5 576
Transport Assets	5 111	5 111	-	-	-	-	-	5 111	5 336	5 576
Land	-	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	42	42	-	-	-	-	-	42	43	45
Zoo's, Marine and Non-biological Animals	42	42	-	-	-	-	-	42	43	45
Total Depreciation to be adjusted	1	363 160	363 160	-	-	-	-	363 160	379 139	396 200

Cemeteries/Crematoria	-	-	-	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-	-	-
Parks	-	-	-	-	-	-	-	-	-	-	-
Public Open Space	-	-	-	-	-	-	-	-	-	-	-
Nature Reserves	-	-	-	-	-	-	-	-	-	-	-
Public Ablution Facilities	-	-	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-	-	-
Stalls	3 000	2 000	-	-	-	(2 000)	(2 000)	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-	-	-
Airports	3 000	3 000	-	-	-	-	-	3 000	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	11 000	11 000	-	-	-	3 000	10 000	13 000	24 000	10 000	20 000
Indoor Facilities	-	-	-	-	-	-	-	-	-	-	-
Outdoor Facilities	11 000	11 000	-	-	-	3 000	10 000	13 000	24 000	10 000	20 000
Capital Spares	-	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	3 805	3 805	3 805	-	-
Operational Buildings	-	-	-	-	-	-	3 805	3 805	3 805	-	-
Municipal Offices	-	-	-	-	-	-	3 805	3 805	3 805	-	-
Pay/Equity Points	-	-	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-
Staff Housing	-	-	-	-	-	-	-	-	-	-	-
Social Housing	-	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-	-	-
Water Rights	-	-	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	-	-	-	-	-	-	-	-	-	-
Lead Settlement Software Applications	-	-	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on upgrading of existing assets to be adjusted	92 648	102 648	-	-	-	(8 834)	13 019	4 185	106 833	121 993	68 700

le SB19 List of capital programmes and projects affected by Adjustments Budget -

Project Description	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Medium Term Revenue and Expenditure Framework					
					Budget Year 2022/23		Budget Year +1 2023/24		Budget Year +2 2024/25	
					Original Budget	Adjusted Budget	Original Budget	Adjusted Budget	Original Budget	Adjusted Budget
IT EQUIPMENT					382					
FURNITURE & EQUIPMENT					200					
INSTALLATION OF AIRCON MOBILE OFFICE					-					
CONSTRUCTION OF ADMIN BUILDING AT FORT AMIEL		4			25	166				
FURNITURE & EQUIPMENT: FORT AMIEL					-					
CONSTRUCTION OF ADMIN BUILDING & GUARD HOUSE					-	25				
PURCHASES OF AIR CONDITIONER UNIT ART GALLERY					-					
INSTALLATION OF CCTV CAMERAS					-					
REFURBISHMENT AND EXTENSION OF NEWCASTLE LIBRARY					-					
FURNITURE JBC HALL					-					
FURNITURE CHARLESTOWN HALL					-					
PURCHASES OF RECYCLE BINS					-					
INSTALLATION OF CCTV CAMERAS					-					
IT EQUIPMENT		25			70	20				
ART PURCHASES					-	60				
PURCHASES OF AIR CONDITIONER UNIT LIBRARIES					-					
ART PURCHASES		25			100	100				
FENCING MODULAR LIBRARY					-					
ESTABLISHMENT OF PARKING AREA(CARPORT)		25			50	43				
AMPHITHEATRE, FORT AMIEL		4			150	150				
CONSTRUCTION OF ZULU UMUZI					-	58				
CARPORT FORT AMIEL					-	21				
ALARM SYSTEM LIBRARIES					-					
ACCESS CONTROL : NN LIBRARY					-					
HORTICULTURAL MACHINERY & EQUIPMENT					-	9				
GRASSCUTTER					-	535				
CONSTRUCTION OF SPORT FACILITY- OLD CASINO		5			11 000	11 000				
PURCHASE OF BULK CONTAINERS					-	11				
IT EQUIPMENT					2 500	2 611	2 500	2 500	2 500	2 500
FURNITURE & OFFICE EQUIPMENT					300	358	300	300	300	300
MACHINERY EQUIPMENT					100	100	100	100	100	100
PLANT & EQUIPMENT -VEHICLE					-					
LAND & BUILDING CONSTRUCTION OF MADADENI OFFICE					-	101				
IT EQUIPMENT (FMG)					-	180				
PURCHASE OF VEHICLE					-					
CAMERAS					100	-				
DRONE					50	-				
SPECIAL PROGRAMME VEHICLE					350	-				
REFURBISHMENT OF SURYAVILLE					-					
FURNITURE & EQUIPMENT					-					
FURNITURE & EQUIPMENT					-	690				
FURNITURE & EQUIPMENT					-	1 680				
Medical Precinct - Roads					-					
Medical Precinct - Storm water					-					
Medical Precinct - Street Lights					-					
Medical Precinct - Water					-					
Medical Precinct - Sewer					-					
Medical Precinct - Substation					-					
Professional fees					-					
JBC TO OSIZWENI SECONDARY LINK ROAD PHASE 2					-	3 705				
UPGRADE OF HRD BUILDING, UNISA CENTRE					-					
BLAAUBOSCH LIBRARY					-					
JB Road 3					20 000	20 000	20 000	20 000		
NEWCASTLE INFORMAL STALLS					2 000	-				
NEWCASTLE AIRPORT					3 000	3 000				
IT EQUIPMENT					-	310				
BR 10 LINK ROAD					1	-				
PURCHASE OF REFUSE TRUCK					-					
SOUL CITY CONNECTION					-					
CONSTRUCTION OF MF56 ROAD					-					
CONSTRUCTION OF MD35 ROAD					-					
UPGRADE & REFURBISHMENT OF BULK SEWER PIPELINE FROM SIYAHLALA -LA TO VOORT		25			7 000	1 246	24 760	24 760	3 700	3 700
CONSTRUCTION OF OA103 ROAD					-					
CONSTRUCTION OF MF18 & MF19 ROADS					-					
CONSTRUCTION OF MF 69,7 , 10					-					
MA 23,25 & 26		26			7 520	6 615				
CONSTRUCTION OF MAE26 & ME27 ROADS					11 700	13 269				
MADADENI WASTEWATER TREATMENT WORKS EXTENSIONS: CONTRACT IV- MECHANICAL & ELECTRICAL WORK INCLUDING SUPPORTIN					-					
REPLACEMENT OF THE DN150 BULK OUTFALL SEWER CLAY PIPELINE IN STAFFORDHILL					-					
CONSTRUCTION OF MC13					-					
CONSTRUCTION OF MADADENI URBAN ACCESS ROADS PHASE 3					-					
CONSTRUCTION OF DB 1 LINK ROAD		12			2 000	1 721				
CONSTRUCTION OF DC 44, DC 22		8			5 720	6 118				
CONSTRUCTION OF OA 27					-					
MADADENI URBAN ACCESS ROAD & STORMWATER PHASE 3					-		10 000	10 000	18 000	18 000
CONSTRUCTION OF OSIZWENI URBAN ACCESS ROADS PHASE 4					-		10 000	10 000	18 000	18 000
CONSTRUCTION OF H38 BUS ROAD AND STREET LIGHTING					3 000	3 960				
REPLACEMENT 525MM SEWER MAINLINE					-	1 104				
UPGRADE OF MADADENI WASTE WATER TREATMENT PLANT		31			20 000	20 000	11 726	11 726		
BLAAUBOSCH BULK WATER SUPPLY		6,12,15,16,18			20 000	14 000				
BLAAUBOSCH BULK WATER SUPPLY(INTERNAL)					-	3 200				
Professional fees					-	1 240				
REFURBISHMENT OF PUMP STATION					-	2 313				

Annexure F:
Revised Budget Funding Plan

NEWCASTLE MUNICIPALITY

REVISED BUDGET FUNDING PLAN

2022/23 – 2025/26

BUDGET FUNDING PLAN

1. Purpose

This Adjustments Budget Funding Plan 2022/23 (BFP) has been developed in in order to take into account the impact of the changes emanating from the mid-year adjustments budget. This plan has considered the revision of the revenue and expenditure as well we the adjustment allocations received from the National and Provincial Treasuries.

2. Introduction

The 2022/23 medium term budget framework indicates that the municipality will be operating with an unfunded budget for at least the next two financial years. It is therefore imperative that a credible a plan that will respond to the current situation be crafted and monitored by the Council. The importance of tabling funded budgets was indicated to council before through the various National Treasury circulars, however the situation in Newcastle Municipality warrants a budget funding plan be put in place and implemented since the budget is current unfunded. The purpose of the BFP is to ensure that the municipality implements strategies over time to move from an unfunded to a funded budget position. The plan must also ensure that the funding position is maintained even beyond the period in which the budget is projected to be funded in order to maintain a financial stability as required by MFMA Circular No.93.

The table below reflects a high level operating results of the municipality's budget over the next three years. Evidently, the municipality is projecting a deficit of R198.6 million, R220.7 million and R117.8 million for the 2022/23, 2023/24 and 2024/25 financial years respectively:

Table 1: Budget summary (financial and capital performance)

Description	Budget Year 2022/23		Budget Year +1 2023/24	Budget Year +2 2023/24
	Original Budget	Adjusted Budget		Budget
	R'000	R'000	R'000	R'000
Total Revenue Budget	2 693 263	2 248 402	2 511 190	2 706 359
Total Expenditure Budget	3 010 876	2 447 060	2 731 983	2 888 132
Surplus/(Deficit)	(317 613)	(198 658)	(220 793)	(181 773)
Capital expenditure	209 033	214 299	170 083	117 850

From Table 1 the above, it is evident that the municipality is not financially viable and not having sufficient revenue and it will not be able to continue to provide services to the community is the situation is not addressed. The municipality is currently experiencing cash flow challenges resulting in insufficient cash to support its current service delivery mandate.

A high-level assessment that performed by the municipality and KZN Provincial Treasury on a continuous basis has revealed that the following factors as the main contributors to the financial crisis that the Newcastle Municipality is faced with:





















- The municipality is operating at an operating deficit;
- Escalation of outstanding debtors, especially the domestic consumers;
- Huge operating expenditure base from employee costs, contracted services and other expenditure;
- Over-commitment on external borrowing;
- Huge Eskom and Uthukela Water debts;
- Tariffs not cost-reflective, especially for water and sanitation;
- Limitation in other revenue generation streams;
- Reserves, conditional grants and reserves not cash-backed;
- Reduction in the equitable share allocation due to the unspent grants at each year-end;
- The high increase in the electricity bulk purchases tariffs compared to the revenue tariff increase;
- High water and electricity losses;
- Indigent consumers consuming more than what they can afford;
- Actions and spending that give rise to unplanned cash outflows.

3. Strategic objectives of the Budget Funding Plan (BFP) 2022/23

The principle objective of the BFP is to ensure financial viability and sustainability of the municipality, a funded budget and to subsequently ensure the ability of the municipality to meet its obligations in terms of the Service Delivery and Budget Implementation Plan (SDBIP) and Integrated Development Plan (IDP). In order to achieve these objectives, the municipality has developed strategies which are aimed at improving its financial status. These strategies have been developed by senior management of the municipality, in consultation with all other internal and external stakeholders. The plan indicates the key focus areas, the responsible officials, the time frames for implementation of activities, the revenue and costs projected to be generated or incurred over the duration of the plan.

The following table contains a list of the strategies that management has put together in order to ensure that the budget of the municipality will be funded within the next five years and beyond:

Table 2: Budget Funding Strategies

Budget Funding Plan									
STATUS & PERCENTAGE	Task completed: 100% 	Task almost completed: 51% - 99% 	Task commenced: 1%-50% 	Task not yet started: 0% 					
No	Strategy	Focus Area	Key Activities	Responsible Person	Start Date	End Date	Status & percentage	Comments regarding status and progress related to activities	
1	Inflation linked tariff increase and improved collection rate	Property rates	Steadily increase increase revenue based on CPI target	MM & CFO	01/07/2018	Continuous	85%	Task almost completed:  8%	
2	Inflation linked tariff increase and improved collection rate	Service charges	Steadily increase increase revenue based on CPI target	MM & CFO	01/07/2018	Continuous	85%	Task almost completed:  8%	
3	Inflation linked tariff increase and improved collection rate	Other revenue	Steadily increase increase revenue based on CPI target	MM & CFO	01/07/2018	Continuous	90%	Task almost completed:  8%	
4	Ensure full access to all government grants	Transfers recognised - capital	Submit business plans and ensure conditional grants are fully spent	MM & CFO	01/07/2020	Continuous	70%	Task almost completed:  8%	
5	Dispose unused land and other assets	Proceeds on disposal of PPE	Identify unused land for residential and business use	MM & CFO	01/07/2022	30/06/2024	70%	Task almost completed:  8%	
6	Curb recruitment on new personnel	Employee related costs	Do not fill any non-critical positions being vacated	MM & CFO	01/07/2022	30/06/2024	40%	Task commenced: 1%-50% 	
7	No commitment on new loans - interest	Finance charges	No new capital expenditure will be financed through external loans	MM & CFO	01/07/2020	30/06/2030	70%	Task almost completed:  8%	
8	No commitment on new loans - capital	Repayment of borrowing	No new capital expenditure will be financed through external loans	MM & CFO	01/07/2020	30/06/2030	70%	Task almost completed:  8%	
9	Limit exorbitant increase in non-core expenditure	Contracted services	Reduction and very minimal increase on contracted services	MM & CFO	01/07/2020	Continuous	70%	Task almost completed:  8%	
10	Limit exorbitant increase in non-core expenditure	Other expenditure	Reduction and very minimal increase on other expenditure	MM & CFO	01/07/2020	Continuous	70%	Task almost completed:  8%	
11	Reduce internally funded capital expenditure	Internally generated funds	Separately invest conditional grants and fast track early appointment of service providers	MM & CFO	01/07/2018	Continuous	85%	Task almost completed:  8%	
12	Reduce unspent conditional grants	Unspent conditional transfers	Prioritise payment of grant related payments and clean up the grant register	MM & CFO	01/07/2018	Continuous	45%	Task commenced: 1%-50% 	
13	Improve payment of creditors	Other working capital requirement	Keep up with the Eskom agreement and ensure timely payment of other creditors	MM & CFO	01/07/2020	Continuous	30%	Task almost completed:  8%	
14	Ensure cash-backing of provisions	Other provisions	Build up reserves up ensuring increased cash and cash equivalents	MM & CFO	01/07/2020	Continuous	30%	Task commenced: 1%-50% 	
15	Ensure cash-backing of reserves	Reserves to be cash-backed	Build up reserves up ensuring increased cash and cash equivalents	MM & CFO	01/07/2019	Continuous	45%	Task commenced: 1%-50% 	
16	Claim all vat receivable from SARS	Statutory requirements	Ensure timely payment of invoices and submission of Vat returns	MM & CFO	01/07/2020	Continuous	85%	Task almost completed:  8%	

3.1 Increase on the collections rates for service charges and property rates

The Newcastle Municipality is planning to apply a steady tariff increase of at most 6% in line with the consumer price index (CPIX) target, and in line with National Treasury budget guidelines. Electricity is projected to increase by about 8% in over the next three years, however tariffs increases will be in line with NERSA guidelines. This will be done in order to bridge the gap between the achieve cost reflective tariffs and affordability over the same period. Furthermore, through an aggressive awareness campaign, incentive schemes aimed at instilling a culture of payment within our communities and arresting water losses, the collection rate is projected to steadily improve from 82% to 87% over the next five financial years. The incentive schemes that have been approved by council and being rolled-out to communities will ensure that the collection rate improves, which will assist to deal with the cost of the reinstatement employees and unspent conditional grants.

3.2 Full access to conditional grants.

The municipality will drive an aggressive strategy to submit business plans to ensure that its capital programme is gradually and eventually fully funded from government grants only. The departments are being encouraged to investigate and access all grant opportunities available with other external stakeholders in order lessen the impact of rates and service charges to deliver services. Equally, the municipality will be putting measures in place to

ensure that all grants are fully spent through budgeting for the portion of the unspent grant each year. This will also assist to ensure that no funds are reverted to the National Revenue Fund.

3.3 Disposal and rental of unused land and other properties.

The municipality has already identified and put a plan to service unused land for disposal for private and commercial purposes. For some of the properties, the municipality has already received bids from the public and some have since been awarded through the supply chain management system, with the transfer processes still underway. The municipality has already advertised a number of properties in order to generate more revenue. Strides are being made to rent out office space and to review rental agreements in other properties so that the municipality will generate more revenue. The strategies also include, but not limited, the upgrading of the Human Resources Development unit's building for use by University of South Africa (Unisa), servicing and disposal of land next to the Medical Precinct Centre next to Mediclinic, renting out of the office space to KZN CoGTA and review of the golf course rental. These processes are already at advanced stages.

3.4 Delay recruitment in new positions

This plan has been has taken into account the reinstatement of the 223 employees who were previously dismissed by the municipality in 2019. A settlement has been reached between the parties that employees will be reinstated with effect from 01 October 2022. The impact of such reinstatement as estimated to be R79 million being the twelve months backpay. In line with the GRAP 14 accounting standard, this amount has been accounted for in the 2021/22 employee costs and payables, however its payments will be done over the 2022/23 and 2023/24 financial years. Over and above the back pay settlement, the municipality will incur an additional R57million in the 2022/23 for the employee related cost with effect from October 2022.

While the above has been taken into account, the municipality, is planning to delay recruitment on some of the positions, which are not considered to be critical. These include positions that will be exited during the remaining six months of the financial year. The municipality will also reallocate the excess staff that has come as a result of the reinstatement in order to fill critical positions in other units in order to avoid new unnecessary recruitments as much as possible. The plan also projects a sharp reduction on overtime since the reinstated employees will be allocated to avoid more overtime. The budget for the employee related costs is however expected to increase steadily of the next four years in order to accommodate the expected annual increase on staff salaries and the impact of the backpay in 2023/2024. The municipality will make use of the reinstated employees to limit the expenditure on overtime and to limit the rate of those above the threshold.

3.5 No commitment to new loans

One of the challenges of the Newcastle Municipality is faced with is its over-commitment on external loans. In order to deal with the funding position, the municipality is not planning to take any loans until a favourable funding position has been achieved. No loans are planned to be taken over the next five years in order to deal with the impact of finance charges in the budget.

3.6 Limit increase on non-core expenditure

The municipality will enforce its cost containment policy to ensure that non-core expenditure is reduced or eliminated to bear minimum over the next five years. In this case, focus shall be given to other expenditure and contracted services. The municipality will utilise monthly reports to this plan, as well as the quarterly reporting to trace and monitor expenditure in order to track and monitor expenditure. The municipality has also established the Finance Committee which deals with scrutinising of all purchase requisitions in line with the budget and the cost containment policy.

3.7 Reduce internally funded capital expenditure

The municipality is planning to reduce the internally funded capital expenditure. While it is acknowledged that this cannot be done at one go due to current commitments, internal funding is expected to be reduced gradually over the next five years. To supplement this, the municipality is planning to improve the submission business plans to donor institutions to ensure that those projects that were funded internally are in future funded from grants instead. It is evidence from the 2022/23 budget and beyond, that the internally funded capital budget has been reduced drastically in line with this strategy.

3.8 Improve payment of creditors

The municipality will make use of the Finance Committee to ensure that the payments to key creditors are prioritised. These include the payment of current account and arrear debt to Eskom, Uthukela Water, SARS, 3rd party payments and loans. A strategy will also be put in place to ensure that all invoices are paid with 30 days as required by section 65 of the MFMA. This will assist to ensure the outstanding debt does not continue to escalate. It will also help to ensure that interest and penalties on late payment are not incurred and thereby curtailing incidences of fruitless and wasteful expenditure. The municipality will continue to ensure that the payment agreement entered with Eskom is monitored and executed successfully until the debt is fully paid in August 2023. The municipality is also in a process of concluding a payment agreement with Uthukela Water, which is placed to be finalised by not later than 28 February 2023.

3.9 Cash-backing of provisions and reserves

One of the key challenges to the funding position of the budget is that provisions and reserves of the municipality are not fully cash-backed. These include unspent grants, leave provision, Housing Development Grant and Insurance Reserve which need to be cash-backed in line with the Funding and Reserves Policy of Council. The municipality shall use the opportunity of each budget process to ensure all excess funds are invested to ensure funding of all provisions and reserves is achieved over the period of the plan. This plan has however been significantly affected by the balance of unspent conditional grants that were reported in the 2021/2022 audited annual financial statements. Initially, the municipality had anticipated a balance of R26.7 unspent conditional grants. This amount has been revised to R206 million as reported in the financial statements.

As a strategy, the municipality is planning to engage with the Department of Human Settlement to gradually reduce this balance over the next three financial years. Portfolio committees will also be engaged to scrutinise the grant expenditure of departments to ensure expenditure on conditional grants is fast-tracked to avoid huge unspent conditional grants at each year-end.

3.10 Claiming VAT Refunds from SARS

The municipality is already utilising the services of a specialist to ensure that VAT refunds due to the Municipality are claimed from SARS. While staff members of the municipality focus on the reconciliation and submission of VAT returns, the specialist is focusing on the VAT review covering the period of the past five years. The financial system has also been configured to ensure that VAT is accounted for correctly. This will assist in ensuring that accurate VAT returns are filed timeously and refunds received on time.

4. Financial Impact of the Budget Funding Plan

It is expected that the strategies and activities put in the plan will have a positive financial impact to the municipality over a long-term period, which will ensure that the municipality's budget is fully funded in the 2023/2024 financial year. Although some of the strategies reflect negative impact on the plan, it is however critical to reflect how these are likely to improve over a period, and eventually yield a positive long-term impact in funding the budget. The table below depicts the impact of each identified strategy on the budget:

Table 3: Financial Impact

Financial Impact of the Budget Funding Plan											
No	Strategy	Focus Area	Key Activities	Key Activities							
				Original Budget	Proposed Adjusted Budget	Increase / (Decrease)	2021/22	2022/23	2023/24	2024/25	2025/26
				2020/21	2020/21	2020/21	Year 1	Year 2	Year 3	Year 4	Year 5
1	Inflation linked tariff increase and improved collection rate	Property rates	Steadily increase increase revenue based on CPI target	70 949 694	15 759 434	-55 190 259	45 194 592	12 938 617	14 124 040	-11 615 095	20 421 560
2	Inflation linked tariff increase and improved collection rate	Service charges	Steadily increase increase revenue based on CPI target	-263 915 132	-253 306 360	10 608 771	99 943 197	39 601 861	43 230 146	-42 071 483	29 402 554
3	Inflation linked tariff increase and improved collection rate	Other revenue	Steadily increase increase revenue based on CPI target	-56 769 295	-56 778 802	-9 507	1 457 251	1 220 866	1 332 720	-880 833	-772 726
4	Ensure full access to all government grants	Transfers recognised - operational	Submit business plans and ensure conditional grants are fully spent	127 281 759	165 832 723	38 550 964	-6 362 969	29 190 882	31 865 323	-76 756 027	33 966 059
5	Ensure full access to all government grants	Transfers recognised - capital	Submit business plans and ensure conditional grants are fully spent	-29 192 363	-10 835 925	18 356 438	-15 196 883	20 570 168	-12 338 147	36 387 948	6 902 626
6	Dispose unused land and other assets	Proceeds on disposal of PPE	Identify unused land for residential and business use	18 000 000	18 000 000	0	11 000 000	13 150 000	9 000 000	10 000 000	10 000 000
7	Curb recruitment of new personnel	Employee related costs	Do not fill any non-critical positions being vacated	53 935 813	4 076 402	-49 859 411	12 585 934	18 935 708	25 020 975	24 039 807	25 001 399
8	No commitment on new loans - interest	Finance charges	No new capital expenditure will be financed through external loans	8 710 012	8 710 012	0	3 127 440	3 408 245	3 640 680	3 449 603	4 079 784
9	No commitment on new loans - capital	Repayment of borrowing	No new capital expenditure will be financed through external loans	-2 886 287	-2 886 287	0	-3 127 441	-3 408 245	-3 640 680	-3 449 603	-4 079 784
10	Limit exorbitant increase in non-core expenditure	Contracted services	Reduction and very minimal increase on contracted services	122 565 339	170 274 707	47 709 367	2 877 349	-32 746 563	25 772 320	-18 158 645	-13 968 188
11	Limit exorbitant increase in non-core expenditure	Other expenditure	Reduction and very minimal increase on other expenditure	90 327 129	-93 967 665	-184 294 794	-13 857 314	4 297 980	4 844 245	-5 496 765	-4 228 281
12	Reduce internally funded capital expenditure	Internally generated funds	Separately invest conditional grants and track early appointment of service providers	-5 971 390	12 457 288	18 428 678	-17 569 898	-12 916 000	0	-6 000 000	0
13	Reduce unspent conditional grants	Unspent conditional transfers	Prioritise payment of grant related payments and clean up the grant register	-14 844 129	-11 752 527	3 091 602	1 232 181	698 647	762 656	-1 645 069	-1 495 517
14	Improve payment of creditors	Other working capital requirement	Keep up with the Eskom agreement and ensure timely payment of other creditors	-97 721 030	-69 600 000	28 121 030	-89 600 000	-89 600 000	-8 690 000	0	0
15	Ensure cash-backing of provisions	Other provisions	Build up reserves up ensuring increased cash and cash equivalents	-10 526 112	0	10 526 112	8 639 106	362 842	396 086	563 882	597 715
16	Ensure cash-backing of reserves	Reserves to be cash-backed	Build up reserves up ensuring increased cash and cash equivalents	980 845	0	-980 845	30 220 726	1 269 270	1 385 560	1 772 365	1 385 918
17	Claim all vat receivable from SARS	Statutory requirements	Ensure timely payment of invoices and submission of Vat returns	34 174 589	34 174 589	0	23 916 000	11 000 000	11 000 000	5 000 000	5 000 000

The following sections seek to highlight the impact of each of the strategies in achieving a budgeted budget position.

4.1 Increase on the collections rates for service charges and property rates

The impact of an increase of a 2% per year basis points and above the consumer price index (CPIX) on the collection rate and the increase in tariffs within the CPIX on rate and services is expected to generate additional a cash-inflow over the next five years. The incentive schemes that have been approved by council and being rolled-out to communities will ensure that the collection rate improves, which will assist to deal with the payment of reinstatement employees and unspent conditional grants.

4.2 Full access to conditional grants.

Over the next five years, the municipality will implement measures to ensure full access to conditional and unconditional grants. This is expected to generate an additional R68 million over the five financial years.

4.3 Disposal of unused land and other properties.

As part of its revenue enhancement strategy, the municipality has already started rolling out its programme to service and dispose all unused land to generate more revenue. This is expected to generate about R42 million over the five financial years.

4.4 Limit increase on non-core expenditure

Through the containment and curtailment of other expenditure and contracted services, the municipality is expecting to save substantially over the five financial years. This will be done by steadily reducing expenditure on non-essential items by monitoring expenditure using the Finance Committee in line with the approved budget and the cost containment policy.

4.5 No commitment to new loans

The municipality will not save any costs by maintaining this position. However, through this commitment, it will ensure that additional costs on borrowing through finance charges is not incurred until the funding position has improved. The municipality will start realising saving as more loans are being paid up.

4.6 Reduce Internally Funded Capital Expenditure

The municipality is projecting to save about R17 million through the strategy of cutting its internally funded capital budget over the next three financial years. Currently the municipality is spending in excess of R20 million on internally funded capital expenditure, and this is expected to reduce to only R5 million per year over the next five years. This will be supplemented by re-aligning capital grant funding.

4.7 Improve the working capital position

The municipality has put together an aggressive strategy to improve its collection of outstanding debtors over the next four years. Equally so, the municipality will also improve payment of its bulk and other key creditors in order to avoid interest and penalties and to improve the working capital position in which the municipality is committed to pay about R98.6 million in the current year and R10 million in 2023/24 financial year. This is in line with the payment agreement signed between the municipality and Eskom. The municipality is further planning to start the payment of Uthukela Water debt with effect from 2023/24 financial year at R54 million per year, over the period of three years. The payment agreement with Uthukela Water is planned to be concluded by not later than 28 February 2023.

4.8 Claiming of Vat Refunds

The municipality is projecting to receive in excess of over R46 million over the next five financial years through statutory requirements. The use of a VAT specialist, internal capacity and financial system configuration will ensure this strategy is attained.

5. Operating Financial Performance

The municipality will continue its strides to accelerate revenue as part of its long-term plan. Property rates, water, sewer, refuse and sundry tariffs will be increase by at least 6% while the electricity tariffs will be increased in line with the NERSA guide over the medium-term framework and over the next five years. This will ensure that the municipality is able to provide minimum level of basic services within the CPIX increases but also not putting pressure to consumers, who are already strained due to the dire economic circumstance. The municipality is also planning to ensure that non-essential expenditure is eliminated in order to ensure the operating deficit is recued on the period of the plan. While the increase will be noted on some of expenditure items like employee costs, councillor remuneration and bulk purchases however these increases be maintained at a bare minimum in order to continue to provide services within the projected increases. Expenditure items like contracted services and other expenditure have however been identified as those which need to be limited to bear minimum, except where the cost items are grant-funded.

The table below depicts the projected financial outcome of the plan.

Table 4: Financial Performance

Financial Impact of the Budget Funding Plan on the Financial Performance (Table A4/B4)							
Description	Original Budget	Adjusted Budget	Increase / (Decrease)	Year 2	Year 3	Year 4	Year 5
R thousand	2022/23	2022/23	2022/23	2023/24	2024/25	2025/26	2026/27
Revenue By Source							
Property rates	363 412 847	376 103 456	12 690 609	398 669 663	422 589 843	447 945 234	474 821 948
Service charges - electricity revenue	751 862 363	767 251 186	15 388 823	828 631 281	894 921 783	970 990 135	1 029 249 543
Service charges - water revenue	199 932 763	212 835 332	12 902 569	225 605 451	239 141 778	253 490 285	268 699 702
Service charges - sanitation revenue	123 817 928	127 901 324	4 083 396	135 575 403	143 709 927	152 332 523	161 472 474
Service charges - refuse revenue	101 229 446	103 774 285	2 544 839	110 000 742	116 600 787	123 596 834	131 012 644
			0				
Rental of facilities and equipment	9 451 748	8 306 087	-1 145 661	9 867 624	10 311 668	9 892 682	10 486 243
Interest earned - external investments	3 131 415	5 330 350	2 198 935	5 650 171	5 904 429	6 081 562	6 446 455
Interest earned - outstanding debtors	4 001 328	5 877 010	1 875 682	6 229 631	6 603 409	6 999 613	7 419 590
Dividends received	0	-	0	0	0	0	0
Fines, penalties and forfeits	4 180 383	4 557 441	377 058	4 802 573	5 090 727	5 396 171	5 719 941
Licences and permits	47 919	32 286	-15 633	45 852	47 915	33 690	35 711
Agency services	0	-	0	0	0	0	0
Transfers and subsidies	1 112 706 986	626 423 786	-486 283 200	775 621 000	850 437 500	995 027 500	995 027 500
Other revenue	19 487 488	8 009 602	-11 477 886	8 490 178	8 999 589	20 425 040	21 650 542
Gains on disposal of PPE		2 000 000	-2 000 000	2 000 000	2 000 000		
Total Revenue (excluding capital transfers and contributions)	2 693 262 614	2 248 402 145	-448 860 469	2 511 189 569	2 706 359 355	2 992 211 268	3 112 042 294
Expenditure By Type							
Employee related costs	601 652 651	636 414 267	34 761 616	682 925 155	714 339 713	755 218 115	792 979 021
Remuneration of councillors	29 060 117	27 162 611	-1 897 506	28 442 547	29 580 249	30 763 459	31 993 998
Debt impairment	286 041 087	299 957 140	13 916 053	299 417 241	318 807 521	337 438 315	347 561 464
Depreciation & asset impairment	363 159 586	363 159 586	0	379 138 608	396 199 845	414 425 038	422 713 539
Finance charges	35 845 953	35 845 953	0	31 705 273	28 255 670	24 175 886	19 843 103
Bulk purchases	605 107 462	563 502 121	-41 605 341	608 582 291	663 354 697	723 056 620	780 901 149
Other materials	153 188 322	153 677 108	488 786	159 315 855	165 688 490	172 316 029	175 762 350
Contracted services	818 628 833	248 981 282	-569 647 551	419 567 393	443 465 370	566 052 286	560 447 808
Transfers and subsidies	0	-	0	0	0	0	0
Other expenditure	118 191 994	118 359 891	167 898	122 888 300	128 440 465	91 541 437	93 849 385
Loss on disposal of PPE	0	-	0	0	0	0	0
Total Expenditure	3 010 876 005	2 447 059 959	-563 816 046	2 731 982 664	2 888 132 020	3 114 987 185	3 226 051 817
Surplus/(Deficit)	-317 613 391	-198 657 814	114 955 577	-220 793 095	-181 772 665	-122 775 918	-114 009 523
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	191 032 032	189 605 227	-1 426 805	157 183 000	104 950 000	138 327 518	145 230 143
Surplus/(Deficit) after capital transfers and subsidies	-126 581 359	-9 052 587	113 528 772	-63 610 095	-76 822 665	15 551 600	31 220 620

Table 4 above indicate that the strategies that are in place will assist to improve the deficit of the municipality of the next 5 years from the R198.6 million in 2022/23 to only R114.0 million in 2026/27 financial years. When taking into account the capital transfers, the municipality will be sitting at the operating deficit of R9.0 million in the 2022/2023 financial year and at a surplus of R31.2 million in 2026/27. It therefore becomes critical that the municipality closely monitors this plan in order to achieve such favourable outcome. The plan has taken into account the revenue and expenditure performance for first five months of the financial year, however most importantly it has also focused on reducing the expenditure. In order improve the financial viability and to achieve a positive A7/B7 positions, the following adjustments have been made from the original budget.

Revenue is projected to increase in the current year and beyond due to the following reasons:

- Property rates has been adjusted to increase from R363.4 million to R376.1, representing an increase of R12.6 million. The increase is based on the year-to-date performance due to the supplementary valuation from additional and improvements in properties. Property rates will then increase over the duration at an estimated 6% tariff increase.
- Electricity service has been adjusted to increase from R751.8 million to R767.2 million, representing an increase of R15.3 million. The increase attributable to the increase in estimated consumption from the previous financial year, which took into account the impact of covid-19 restrictions. This increase is in line with current year year-to-date performance. Electricity service charges will then increase over the duration at an estimated 8% - 9% tariff increase.
- Water service charges has been adjusted to increase from R199.9 million to R212.8 million, representing an increase of R12.9 million. The increase attributable to the increase in estimated water consumption from new developments. This increase is in line with the current year-to-date performance. Water service charges will then increase over the duration at an estimated 6% tariff increase.
- Sanitation service charges has been adjusted to increase from R123.8 million to R127.9 million, representing an increase of R4.0 million. The increase attributable to the increase in estimated was consumption as well as new developments in the jurisdiction of Newcastle. This increase is in line with the current year-to-date performance. Sanitation service charges will then increase over the duration at an estimated 6% tariff increase.
- Refuse service charges has been adjusted to increase from R101.2 million to R103.7 million, representing an increase of R2.5 million. The increase attributable to the increase in estimated consumption as the covid-19 restrictions have been completely relaxed. Refuse service charges will then increase over the duration at an estimated 6% tariff increase.
- Rental of facilities has been adjusted to decrease from R9.4 million to R8.3 million, representing a decrease of R1.1 million. The decrease is due to the properties which were disposed by the municipality in the previous financial year, the impact of which was still in the budget during the approval of the original budget. Rental of facilities will then increase over the duration at an estimated 6% tariff increase.
- Interest on investments has been adjusted to increase from R3.1 million to R5.3 million, representing an increase of R2.1 million. The municipality has been very aggressive in investing the conditional grants and excess cash, which has seen huge increase from interest on investments in the first six months of the financial year. This pattern is expected to continue for the remainder of the financial year. Interest on investments will then increase over the duration at an estimated 4% tariff increase.
- Interest on outstanding debtors has been adjusted to increase from R4.0 million to R5.8 million, representing an increase of R1.8 million. This is linked to the additional performance on billable revenue on businesses. Interest on outstanding debtors will then increase over the duration at an estimated 6% tariff increase.
- Fines, penalties and forfeiters has been adjusted to increase from R4.1 million to R4.5 million, representing an increase of R350 thousand. The increase attributable to the reinstatement of employees

in the traffic department, which has resulted in more law enforcement in the area. Fines will then increase over the duration at an estimated 6% tariff increase.

- Licences and permits has been adjusted to decrease from R47 thousand to R28 thousand, representing a decrease of R19 thousand. Licences and permits will then increase over the duration at an estimated 6% tariff increase.
- Transfers and subsidies – operational has been adjusted to decrease from R1.112 billion to R626.4 million, representing a decrease of R486.2 million. The decrease is based on the adjusted National and provincial allocations, as well as the movement of some of the grant-funded expenditure between the operating and capital budgets. In the main, the decrease is attributable to grant allocations from the Department of Human Settlements, which will no longer be transferred to the municipality due to the nature of the new agreements.
- Other revenue is projected to decrease from R19.4 million to R8.0 million, representing a decrease of R11.4 million. The decrease is due to the movement of amount earmarked for the proceeds on sale of properties to the cash flow in table A7/B7 as advised by Provincial Treasury during the assessment of the previous funding plan. Other items of other revenue that appear to under-perform have been adjusted downwards accordingly. Other revenue will then increase over the duration at an estimated 6% tariff increase.
- Gains on proceeds of PPE has been adjusted to increase from R0 to R2.0 million. This appropriation is due to the gains on disposal of the Greenwich property that has already been sold by the municipality.

Expenditure is projected to decrease from R3.010 billion to R2.447 billion, representing a decrease of R563.8 million due to the following reasons:

- Employee costs has been adjusted to increase from R601.6 million to R636.4 million, representing an increase of R34.7 million. The increase is due to the appropriation of R57 million in respect of the reinstated employees with effect from 1st October 2022. However, overtime, group life scheme and new recruitments have been further reduced by R12 million, R4.5 million and R5.5 million as part of the cost containment measures to ensure a positive cash and cash equivalents during the year. The outer years have also been revised accordingly.
- Remuneration of councillors has been adjusted to decrease from R29.0 million to R27.3 million representing a decrease of R1.7 million. The recalculation has indicated that the provision in the original budget was overstated as it included the backpay of the Exco councillors as full-time office bearers for the period 01 November 2021 to 30 June 2022. This portion of the expenditure will be removed from the 2022/23 financial in line with the accrual basis of accounting.
- Debt impairment has been adjusted to increase from R286.0 million to R299.9 million, representing an increase of R13.9 million. The increase is due to the difference between the addition billable revenue appropriation and the collections on such revenue due to the collections rates currently achievable.
- Bulk electricity purchases has been adjusted to decrease from R605.1 million to R563.5 million, representing a decrease of R41.6 million. During the preparation of the original budget, the municipality has applied NERSA approved tariff based on the 2021/22 budget. Subsequent to the audited annual financial statements, the municipality has revised the 2022/23 calculation based on the actual consumption and the approved NERSA tariff. While the year-to-date of the past six months appears to indicate that bulk purchases performing more than the projection, it is however a common trend that electricity purchases are higher in the first 3 months of the financial year due to the winter consumption as well as the season tariff that is applied by Eskom. The cost is generally averaging lower in the remaining months of the financial year. The impact of load shedding is also expected to reduce the consumption of bulk purchases during the year.
- Contracted services has been adjusted to decrease from R818.1 million to R248.9 million representing a decrease of R569.6 million. The decrease is attributable to proposed reduction in a number of expenditure

items in order to achieve a more financially viable position, as well as the removal of housing grant-funded projects from the adjusted provincial allocation.

- Other expenditure has been adjusted to increase from R118.1 million to R118.3 million representing an increase of R168 thousand. The increase is attributable to movement of funds from capital to operating budget.

Although expenditure appear to increase steadily over the next five years, the increase is mainly due to the unavoidable increase particularly in the employee costs, bulk electricity purchases and other materials, which include the purchase of bulk waster. It however noted that, due to the improvement in revenue of the same period, the deficit is expected to reduce steadily.

6. Capital Financial Performance

The municipality will continue its drive to, by and large, the financing of its capital programme through the government grants. The municipality is also not planning to take any new loans over the next five financial years. This is necessary in order not to exert additional financial pressure to the Municipality. The Municipality is further planning to cut on funding the capital expenditure from internal reserves gradually over the next five years. The table below depicts the projected capital performance over the next five years.

Table 5: Capital Financial Performance

Financial Impact of the Budget Funding Plan on the Capital Financial Performance (Table A5/B5)							
Description	Original Budget	Adjusted Budget	Increase / (Decrease)	Year 2	Year 3	Year 4	Year 5
R thousand	2022/23	2022/23	2022/23	2023/24	2024/25	2025/26	2026/27
Capital Expenditure - Functional							
Governance and administration	2 900 000	3 912 481	-1 012 481	2 900 000	2 900 000	1 000 000	1 000 000
Executive and council	0	-	0	0	0		
Finance and administration	2 900 000	3 912 481	-1 012 481	2 900 000	2 900 000	1 000 000	1 000 000
Internal audit	0	-	0	0	0		
Community and public safety	11 344 500	13 185 933	-1 841 433	10 097 000	20 000 000	0	0
Community and social services	344 500	642 115	-297 615	0	0	0	0
Sport and recreation	11 000 000	11 543 818	-543 818	10 097 000	20 000 000	0	0
Public safety	0	-	0	0	0	0	0
Housing	0	1 000 000	-1 000 000	0	0	0	0
Health	0	-	0	0	0		
Economic and environmental services	118 141 000	73 807 704	44 333 296	50 200 000	46 250 000	49 641 437	50 572 385
Planning and development	25 101 000	28 465 529	-3 364 529	20 200 000	250 000	255 000	262 650
Road transport	93 040 000	45 342 175	47 697 825	30 000 000	46 000 000	49 386 437	50 309 735
Environmental protection	0	-	0	0	0		
Trading services	76 647 532	123 393 048	-46 745 516	106 886 000	48 700 000	45 900 000	47 277 000
Energy sources	0	-	0	0	0	0	0
Water management	49 647 532	97 360 852	-47 713 320	70 400 144	45 000 000	45 900 000	47 277 000
Waste water management	27 000 000	26 020 861	979 139	36 485 856	3 700 000		0
Waste management	0	11 335	-11 335	0	0		
Other	0	-	0	0	0	0	0
Total Capital Expenditure - Functional	209 033 032	214 299 166	-5 266 134	170 083 000	117 850 000	96 541 437	98 849 385
			0				
Funded by:			0				
National Government	174 687 532	171 638 457	3 049 075	147 086 000	84 950 000	91 541 437	93 849 385
Provincial Government	16 344 500	17 966 769	-1 622 269	10 097 000	20 000 000	0	0
District Municipality		-	0			0	0
Other transfers and grants		-	0			0	0
Transfers recognised - capital	191 032 032	189 605 226	1 426 806	157 183 000	104 950 000	91 541 437	93 849 385
			0				
Borrowing	0	-	0	0	0		
Internally generated funds	18 001 000	24 693 939	-6 692 939	12 900 000	12 900 000	5 000 000	5 000 000
Total Capital Funding	209 033 032	214 299 165	-5 266 133	170 083 000	117 850 000	96 541 437	98 849 385

Capital expenditure has been adjusted to increase from R209.0 million in the original budget to R214.2 million during the year, representing an increase of R5.2 million. The decrease is mainly due to the movement of projects

from the capital to operating budget. This include provision of the R 3.3 million and R2.0 million from the vehicle replacement and the informal trade stores.

7. Financial Position Plan

The municipality is projecting to remain within a favourable equity position, with the total assets exceeding total liabilities by a large margin. The net current position of the municipal is also projected to improve over the next three years, which is a good indicator of the ability of the municipality to meet its short-term obligations over the next three years.

The table below depicts the Financial Position Plan of the municipality for the next five years:

Table 6: Financial Position

Financial Impact of the Budget Funding Plan on the Financial Position (Table A6/B6)							
Description	Original Budget	Adjusted Budget	Increase / (Decrease)	Year 2	Year 3	Year 4	Year 5
R thousand	2022/23	2022/23	2022/23	2023/24	2024/25	2025/26	2026/27
ASSETS							
Current assets							
Cash	-14,037,349	5,881,277	19,918,626	38,260,250	127,319,416	93,242,611	94,175,037
Call investment deposits		-	-				
Consumer debtors	594,134,391	507,995,391	-86,139,000	681,681,011	688,924,185	716,481,152	745,140,398
Other debtors	81,351,346	81,351,346	-	84,605,400	87,989,616	91,509,200	95,169,568
Current portion of long-term receivables		-	-				
Inventory	14,994,565	14,994,565	-	15,594,348	16,218,122	16,866,846	17,541,520
Total current assets	676,442,952	610,222,579	-66,220,374	820,141,008	920,451,339	918,099,810	952,026,524
Non current assets							
Long-term receivables		-	-				
Investments		-	-				
Investment property	341,873,618	341,873,618	-	355,548,563	369,770,505	391,956,736	399,795,870
Investment in Associate	217,333,222	217,333,222	-	226,026,551	235,067,613	226,026,551	217,333,222
Property, plant and equipment	6,666,531,114	6,666,531,114	-	6,799,861,736	6,935,858,971	7,005,217,561	7,075,269,736
Biological		-	-				
Intangible	1,223,846	1,223,846	-	1,272,800	1,323,712	1,416,372	1,515,518
Other non-current assets	11,710,932	11,710,932	-	12,179,369	12,666,544	13,553,202	14,501,926
Total non current assets	7,238,672,732	7,238,672,732	-	7,394,889,019	7,554,687,345	7,638,170,421	7,708,416,272
TOTAL ASSETS	7,915,115,684	7,848,895,310	-66,220,374	8,215,030,027	8,475,138,683	8,556,270,230	8,660,442,796
LIABILITIES							
Current liabilities							
Bank overdraft		-	-				
Borrowing	32,105,578	32,105,578	-	34,081,616	35,156,170	38,525,548	42,247,285
Consumer deposits	27,094,773	27,094,773	-	28,178,564	29,305,706	31,305,706	33,305,706
Trade and other payables	688,020,917	804,296,914	116,275,997	795,336,645	750,831,623	625,693,019	521,410,849
Provisions	9,752,000	9,752,000	-	10,142,080	10,547,763	11,180,629	11,851,467
Total current liabilities	756,973,268	873,249,265	116,275,997	867,738,905	825,841,262	706,704,902	608,815,308
Non current liabilities							
Borrowing	260,653,584	260,653,584	-	241,345,912	223,468,437	186,223,697	155,186,414
Provisions	90,445,062	90,445,062	-	94,062,864	97,825,379	103,694,902	109,916,596
Total non current liabilities	351,098,646	351,098,646	-	335,408,776	321,293,815	289,918,599	265,103,010
TOTAL LIABILITIES	1,108,071,915	1,224,347,911	116,275,997	1,203,147,680	1,147,135,077	996,623,501	873,918,318
NET ASSETS	6,807,043,769	6,624,547,399	-182,496,370	7,011,882,347	7,328,003,606	7,559,646,729	7,786,524,478
COMMUNITY WEALTH/EQUITY							
Accumulated Surplus/(Deficit)	6,776,801,688	6,593,660,487	-183,141,201	6,980,430,582	7,295,293,771	7,525,628,501	7,751,145,521
Reserves	30,242,081	30,886,912	644,831	31,451,764	32,709,835	34,018,228	35,378,957
TOTAL COMMUNITY WEALTH/EQUITY	6,807,043,769	6,624,547,399	-182,496,370	7,011,882,347	7,328,003,606	7,559,646,729	7,786,524,478

The following changes in table A6/B6 have been noted from the original budget and the projected adjustments budget:

- Cash is projected to increase from negative R14.0 million to R5.8 million, representing an increase of R19.9 million. The increase is due to the increase in the revenue and the reduction in expenditure and indicated in table A4/B4 above.
- Consumer debtors has been revised upwards from R594.1 million to 507.9 million, representing a decrease of R86 million. The decrease is due to the decrease in the portion of debt collectable as well as the review of the calculation debtors provision based on the available information. Although debtors are increasing steadily over a period of 5 years, the current strategies indicate that the municipality will be able to collect a portion thereof, which will assist with the payment of creditors as indicated the other working capital requirements in table A8/B8 below.
- Trade and payables has been revised upwards from R688 million to R804 million due the inclusion of the settlement for backpays of reinstated employees as well the recalculation based on the audited annual financial year and the current year's purchases and payments. It is also noted that trade and payables will decrease gradually of the duration of the plan from R804 million in the current year to R521 million in the 2026/27 financial due the municipality's provision to pay the Eskom, Uthukela Water, employee costs backpays and other creditors.
- Accumulated surplus has been revised to decrease by R183.12 million from the original budget of R6.776 billion to 6.593 billion. The decrease is based on the recalculation based on the revision of all other items of assets and liabilities based on the changes in the projected financial performance and the audited annual financial statements.
- Reserves are projected to increase from R30.2 million to R30.8 million, representing an increase of R644 thousand. The increase is due to a correction emanation from the audited annual financial statement. The original budget was based on the estimate on the information that was available in 2021/22 financial year.

Overall, the equity position of the municipality appears to improve gradually over the duration of the plan, with R6.652 billion projected in the current year to R7.808 billion in 2026/27 due to the increase in total assets over the total liabilities.

8. Cash Flow Plan

The municipality is also planning to improve its collection rate of the five financial years in order to ensure that adequate revenue is collected. The collection rate is projected to increase from 82% to 87% over the five years. The municipality will also put measures in place to ensure that all grant opportunities are being accessed fully. The municipality has already identified and put plans in place to ensure that unused land and other assets are disposed-off in order to enhance revenue. The repayment of borrowing is also expected to continue to decrease over the three financial years as no external borrowings will be taken.

The table below depicts Cash Flow Plan over the next five years.

Table 7: Cash Flow

Financial Impact of the Budget Funding Plan on the Cash Flow (Table A7/B7)

Description	Original Budget	Adjusted Budget	Increase / (Decrease)	Year 2	Year 3	Year 4	Year 5
R thousand	2022/23	2022/23	2022/23	2023/24	2024/25	2025/26	2026/27
CASH FLOW FROM OPERATING ACTIVITIES							
Receipts							
Property rates	272 559 636	282 077 000	9 517 364	302 988 944	321 168 281	340 438 378	360 864 680
Service charges	989 000 259	1 015 802 039	26 801 780	1 106 148 044	1 187 664 307	1 266 794 868	1 342 802 560
Other revenue	315 172 080	294 326 628	-20 845 452	267 162 839	275 545 320	286 144 834	286 144 834
Government - operating	1 112 706 896	510 460 468	-602 246 428	869 077 000	945 027 500	945 027 500	945 027 500
Government - capital	191 032 032	186 286 042	-4 745 990	157 183 000	104 950 000	104 950 000	104 950 000
Interest	3 131 415	5 330 350	2 198 935	5 650 171	5 904 429	6 081 562	6 203 193
Dividends	-	-	-	-	-	-	-
Payments							
Suppliers and employees	-2 683 251 104	-2 082 004 061	601 247 043	-2 455 204 158	-2 617 395 150	-2 761 356 353	-2 855 804 312
Finance charges	-35 845 953	-35 845 953	-	-31 705 273	-28 255 670	-24 175 886	-19 843 103
Transfers and Grants	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	164 505 261	176 432 513	11 927 252	221 300 568	194 609 017	163 904 902	170 345 352
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
Proceeds on disposal of PPE	-	14 840 500	-14 840 500	15 243 021	12 456 320	-	-
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-
Payments							
Capital assets	-209 033 032	-214 299 166	5 266 134	-170 083 000	-117 850 000	-124 456 160	-128 159 843
NET CASH FROM/(USED) INVESTING ACTIVITIES	-209 033 032	-199 458 666	-9 574 366	-154 839 979	-105 393 680	-124 456 160	-128 159 843
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
Short term loans	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-
Payments							
Repayment of borrowing	-32 105 578	-47 259 876	15 154 298	-34 081 616	-35 156 170	-38 525 548	-41 253 082
NET CASH FROM/(USED) FINANCING ACTIVITIES	-32 105 578	-47 259 876	15 154 298	-34 081 616	-35 156 170	-38 525 548	-41 253 082
NET INCREASE/ (DECREASE) IN CASH HELD	-76 633 349	-70 286 029	-6 347 320	32 378 973	54 059 167	923 194	932 426
Cash/cash equivalents at the year begin:	62 596 000	76 167 306	-13 571 306	5 881 277	38 260 250	92 319 416	93 242 611
Cash/cash equivalents at the year end:	-14 037 349	5 881 277	-19 918 626	38 260 250	92 319 416	93 242 611	94 175 037

The following changes in table A7/B7 have been noted from the original budget and the adjustments budget:

- Receipts from property rates have been adjusted to increase from R272.5 million to R282.0 million, representing an increase of R9.5 based on the payment factor of 75% as was presented in the original budget. The increase is due to the increase in property rates revenue as indicated in table A4/B4 above. Receipts from property rates are expected to increase steadily of the duration of the plan from R282.0 million in the current year to R360.8 million in the 2026/27 financial.
- Receipts from service charges have been adjusted to increase from R989.0 million to R1.015 billion, representing an increase of 26.8 million based revised year-to-date performance as indicated in table A4/B4. The collection rate of 96.7%, 60.8%, 56.4% and 69.7% have been maintained for electricity service charges, water service charges, sanitation service charges and refuse service charges as there

were in the original budget. Receipts from service charges are expected to increase steadily of the duration of the plan from R1.015 billion in the current year to R1.342 billion in the 2026/27 financial.

- Receipts from government – operation are projected to decrease from R1.112 billion to R510.4 million, representing a decrease of R602.2 million. The decrease is attributable to the adjusted national and provincial grant allocations, particularly the removal of the housing grants from the KZN Department of Human Settlements. Other changes are due to the movement of grant funded projects between the capital and operating budget. The downward adjustment also takes into account an amount of R9.1 that was withheld by National Treasury due to the disapproval of unspent conditional grants.
- Receipts from government – capital has been adjusted to decrease from R191.0 million to R186.2 billion, representing a decrease of 4.7 million. This represents a movement of grant funding which has been moved to fund the capital expenditure.
- Receipts from other revenue has been adjusted to decrease from R315.1 million to R294.3 million, representing a decrease of R20.8 million. The decrease is due to the recalculation of Vat relation to revenue and expenditure as a result of the revision of projections in tables A4/B4 and A5/B5. The collection rates of 100% have been for rental of facilities, licencing and permits, while 20% has been used for fines.
- Receipts from other interest has been adjusted to increase from R3.1 million to R5.3 million, representing an increase of R2.1 million. The decrease is due based on the year-to-date performance as indicated in table A4/B4. The collection rates of 100% and 0% have been used for the interest on investments and interest on outstanding debtors respectively. The receipts during the duration of the plan are based on the expected received from interest on investment as the municipality will be investing more funds as it receives grants.
- Supplies and employees has been adjusted to decrease by R601.2 million from R2.683 billion to R2.082 billion. The reduction is due to then reduction in operational expenditure as per financial performance in table A4/B4. Although the projection of suppliers and employees appears to increase steady over the duration of the plan due to unavoidable increase in order expenditure items, the increase will be covered from the corresponding increase in the receipts for rates and service charges. Sharp decrease is also noted in year 2023/24 of the plan since the municipality will have finished paying the Eskom debt. However, in the same year, the municipality will commence with the payment of Eskom debt, at R54.3 million per year for a period of 3 years,
- Capital assets are projected to decrease from R209.0 to R214.2, representing an decrease of R5.2 million. The decrease is mainly due to the movement of projects from the capital to operating budget. This include provision of the R 3.3 million and R2.0 million from the vehicle replacement and the informal trade stores.
- Repayment of borrowing has been adjusted to increase from R32.1 million to R47.2 million, representing an increase of R15.1 million. The increase is due to the repayment of borrowings which was paid in July 2022, resulting the increase in the 2022/23 short-term portion as per the audited annual financial statements. The remainder of the projection in the plan are based on the amortisation schedule for the loan repayments.
- Cash and cash equivalents and the beginning of the year has increase from R62.5 million to R76.1 million, representing an increase of R13.5 million. The increase is based on the figure of cash and cash equivalents as per the 2021/22 audited annual financial statements.

Table 7 above indicates that the municipality's cash at the end of the 2022/23 financial year will be R5.8 million. This means that the municipality will be able to cover all its short-term cash requirements during the year. This position has been achieved mainly through the reduction of internally funded expenditure as well and identifying additional revenue during the year. The cash position of the municipality will then start to improve to positive R92.3 million in 2024/25 and even further beyond 2024/25 with the implementation of it's the funding plan strategies.

9. Cash Backed Reserves Plan

Through its five-year plan, the municipality aims to ensure that adequate reserves are generated to cover for any unspent conditional grants, provisions and reserves that are required to be cash backed in terms of GRAP and the municipal policies. By far possible, the municipality will ensure that all provisions and reserves have been reliably and adequately provided for. The municipality will also ensure that its working capital position improves over the planning period.

Table 8: Cash-backed Reserves

Financial Impact of the Budget Funding Plan on the Cash backed reserves/accumulated surplus (Table A8/B8)							
Description	Original Budget	Adjusted Budget	Increase / (Decrease)	Year 2	Year 3	Year 4	Year 5
R thousand	2022/23	2022/23	2022/23	2023/24	2024/25	2025/26	2026/27
Cash and investments available							
Cash/cash equivalents at the year end	-14 037 349	5 881 277	19 918 626	38 260 250	92 319 416	93 242 611	94 175 037
Other current investments > 90 days	-	-	-	-	-	-	-
Non current assets - Investments	-	-	-	-	-	-	-
Cash and Investments available:	-14 037 349	5 881 277	19 918 626	38 260 250	92 319 416	93 242 611	94 175 037
Application of cash and investments							
Unspent conditional transfers	26 732 000	206 298 387	179 566 387	156 298 387	106 298 387	71 298 369	21 298 369
Unspent borrowing	-	-	-	-	-	-	-
Statutory requirements	17 103 140	22 674 485	5 571 345	23 808 209	24 998 620	22 726 018	20 660 016
Other working capital requirements	25 055 307	16 843 248	-8 212 059	-104 356 673	-144 248 795	-128 793 567	-95 402 642
Other provisions	11 406 000	22 308 000	10 902 000	23 423 400	24 594 570	24 889 705	25 138 602
Long term investments committed	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	30 241 901	30 886 912	645 011	32 434 487	34 380 556	35 068 167	35 769 531
Total Application of cash and Investments:	110 538 348	299 011 032	188 472 684	131 607 810	46 023 338	25 188 692	7 463 876
Surplus(shortfall)	-124 575 698	-293 129 755	-168 554 057	-93 347 560	46 296 079	68 053 918	86 711 161

Table 8 above indicates that the budget is currently unfunded by R293.1 million. With the implementation of strategies mentioned above, as well as the monitoring of this plan, the municipality is planning to have a funded budget by the year 2024/25, where it is projecting to generate a surplus of R46.2 million.

The following changes in table A8/B8 have been noted from the original budget and the projected adjustments budget:

- Cash has been adjusted to increase from negative R14.0 million to R5.8 million, representing an increase of R16.2 million. The increase is due to the increase in the revenue and the reduction in expenditure and indicated in table A4/B4 above. As the municipality commits to may payments for Eskom, reinstated employees and Uthukela Water while at the same time it implements other strategies, cash and cash equivalents is projected to increase from R5.8 million in the current year to R86.7 million in 2026/27 financial year.
- Unspent conditional grants are projected to increase from R26.7 million to R206.2 million, representing an increase of R179.5 million. The increase is based on the audited annual financial statements. In order to ensure that unspent grants are reduced, the municipality has budgeted to R25 million, R60 million, R50 million and R50 million to be spent towards unspent conditional grants in 2023/24, 2024/25, 2025/26 and 2026/27 respectively. This will ensure that the balance of the unspent grants reduces as reflected in table A8/B8 above.

- Statutory requirements has been adjusted to increase from R17.1 million to R22.6 million, representing an increase of R5.5 million. The increase is attributable to the adjustments made in the revenue and expenditure items as indicated in table A4/B4 above.
- Other working capital requirements has been adjusted to increase from a positive R25.0 million to a positive R16.8, representing an increase of R8.2 million. This is due to the recalculation based on the revised audited annual financial statements, financial performance and cash flows.
- Other provisions is projected to increase from R11.4 million to R22.3 million, representing an increase of R10.9 million. The increase represents an additional provision of 30% of the leave provision reported in the 2021/22 annual financial statements, which not included in the original budget. Bonus provision was not included as it is already provided for under the employee costs.
- Reserves to be cash backed is projected to increase from R30.2 million to R30.8 million, representing an increase of R645 thousands. The increase is based on the correction as per the 2021/22 audited annual financial statements.

The municipality therefore appears to be currently unfunded until the end of 2023/24 financial year. With effect from 2024/25 and after the Eskom debt and about half of the backpays of reinstated employees are paid, the table reflects that the municipality will be fully funded and will be able to provide some provisions and reserves. A positive and improving trend is anticipated to continue as the municipality will continue to implement the strategies even beyond the period of the plan.

10. Reporting timeframes

It is imperative that the progress and challenges be reported on quarterly basis to council, through the Finance Portfolio Committee. Other platforms of reporting will be the Management Committee and the Executive Committee of Council. Reporting on the implementation of the funding plan and revised alignment shall also take place during the tabling of each and every budget and the adjustment budget until the objectives of the plan are achieved.

11. Conclusion

This plan has been crafted with a view to address specific challenges of the unfunded budget. Over-commitment to the Eskom debt, lower collection rate, loan repayments, and high operating expenditure base are but some of the causes of the situation the municipality finds itself in. The plan therefore aims at addressing most of the challenges and to change business processes and financial culture in the municipality. It is therefore critical that councillors, senior management buys into the plan and that its implementation filters through all the municipal levels. It is also recorded that the Chief Financial Officer will be responsible for driving its implementation.

Lastly, it is also important to mention that the municipality must not easily deviate from the plan. While the municipality might be challenged to amend the plan especially during the preparation of each budget, it is however very key that the strategies contained therein are not easily altered. This will ensure that the long term objectives of the plan are eventually attained. Council is also encouraged to make use of the quarterly progress reports to guide and monitor implementation of the plan.

MUNICIPAL MANAGER'S QUALITY CERTIFICATE



I, Z W Mcineka, the Municipal Manager of **Newcastle Municipality**, hereby certify that the Adjustment budget and supporting documentation of 2022 /2023 Operating and Capital Budget have been prepared in accordance with Section 28 2(a) of the Municipal Finance Management Act No56 of 2003;and Regulation 21-26 of the Municipal Budget and Reporting Regulations.

Print Name : ZAMOKWAKHE WESLEY MCINEKA

Municipal Manager : NEWCASTLE MUNICIPALITY

Signature : 

Date : 28/02/2023