



UMZIMVUBU LOCAL MUNICIPALITY

EXTRACT of MINUTES of the Ordinary Council Meeting of Umzimvubu Local Municipality held at KwaBhaca Municipal Town Hall on Thursday the 27th of February 2025 at 10h25.

MINUTES

ULMC:040

10.2.4 REPORT ON 2ND ADJUSTMENTS BUDGET FOR 2024/2025 MEDIUM TERM REVENUE EXPENDITURE FRAMEWORK

PURPOSE

The purpose of the report is to table to council the 2nd adjustments budget as required in terms of section 28 of the Municipal Finance Management Act 56 of 2003.
For Council to note and approve adjustments on revenue, expenditure and assets.

BACKGROUND

In January 2025, the Accounting Officer, as guided by the Local Government: Municipal Finance Management Act 56 of 2003, Section 72, assessed the performance of the municipality during the first half of the financial year. Based on the assessment, it was discovered that there is a need to do an adjustment budget as per chapter 4 of the MFMA. A report by the Accounting Officer and Mayor was submitted electronically to the relevant treasuries as per section 72 of the MFMA.

The mid term performance report was also submitted to Council for noting and submitted to both treasuries (National and Provincial).

The municipality may in terms of section 28 of the MFMA revise its approved annual budget through an adjustments budget.

2024/2025 Adjustment Budget

Revenue Adjustment Budget

Discription	2024/2025				Outer Years	
	Original Budget	Previous Adjusted Budget	Current Adjustment Budget	Final Budget	2025/2026	2026/2027
Revenue	- 594,559,210.00	- 606,036,555.00	- 18,900,678.00	- 624,937,233.00	- 478,569,000.00	- 444,133,000.00
Agency Services	- 2,900,000.00	- 2,900,000.00	-	- 2,900,000.00	- 3,000,000.00	- 3,200,000.00
Fines Penalties and Forfeits	- 4,527,000.00	- 4,527,000.00	-	- 4,527,000.00	- 4,794,000.00	- 4,993,000.00
Interest	-	-	- 2,200,000.00	- 2,200,000.00	- 2,200,000.00	- 2,200,000.00
Interest Dividend and Rent on Land	- 12,780,000.00	- 12,780,000.00	- 2,200,000.00	- 10,580,000.00	- 10,780,000.00	- 10,780,000.00
Licences or Permits	- 1,865,000.00	- 1,865,000.00	- 100,000.00	- 1,965,000.00	- 1,885,000.00	- 2,000,000.00
Operational Revenue	- 4,035,000.00	- 4,035,000.00	-	- 4,035,000.00	- 150,000.00	- 150,000.00
Property Rates by Usage	- 49,910,850.00	- 49,910,850.00	- 16,993,128.00	- 66,903,978.00	- 52,856,000.00	- 55,974,000.00
Rental from Fixed Assets	- 4,708,000.00	- 4,708,000.00	- 2,647,000.00	- 7,355,000.00	- 5,769,000.00	- 2,574,000.00
Sales of Goods and Rendering of	- 23,643,760.00	- 23,643,760.00	- 449,450.00	- 23,194,310.00	- 20,931,000.00	- 18,936,000.00
Service Charges	- 1,482,600.00	- 1,482,600.00	-	- 1,482,600.00	- 1,570,000.00	- 1,600,000.00
Transfers and Subsidies	- 488,707,000.00	- 500,184,345.00	- 390,000.00	- 499,794,345.00	- 374,634,000.00	- 341,726,000.00

Remarks:

The total approved budget amounted to R594, 559, 210, this has been increased by R18, 900, 678 to R624, 937, 233, the increase is caused by the following:

- ❖ R16,99 million increase on Property Rates as a result of more collections that were done in the first six months than initially anticipated;
- ❖ R2.6 million increase in rentals from municipal buildings (fixed assets) than anticipated;
- ❖ R100 thousand increase in licences or permits as a result of more people registering and licensing their vehicles within UMzimvubu jurisdiction;
- ❖ R499 thousand decrease in sales of goods and services;
- ❖ R390 thousand decrease in transfers and subsidies.

Operating Expenditure Adjustment

Discription	Original Budget	Previous Adjusted Budget	Current Adjustment Budget	Final Budget	2025/22026	2026/2027
Expenditure	452,336,805.00	455,230,815.00	6,175,818.00	461,406,633.00	477,631,409.00	484,862,409.00
Contracted Services	122,452,262.00	127,397,387.00	1,265,287.00	126,132,100.00	112,948,000.00	111,118,000.00
Depreciation and Amortisation	93,470,000.00	93,470,000.00	-	93,470,000.00	116,470,000.00	113,470,000.00
Employee Related Cost	97,886,791.00	97,886,791.00	993,642.00	98,880,433.00	97,815,000.00	104,734,000.00
Inventory Consumed	7,393,502.00	7,443,502.00	219,000.00	7,662,502.00	8,687,000.00	8,687,000.00
Irrecoverable Debts Written Off	8,780,000.00	8,780,000.00	-	8,780,000.00	8,780,000.00	8,780,000.00
Operating Leases	698,004.00	448,004.00	719,214.00	1,167,218.00	698,004.00	698,004.00
Operational Cost	81,908,841.00	78,633,216.00	2,635,955.00	81,269,171.00	90,634,000.00	95,766,000.00
Remuneration of Councillors	24,485,405.00	24,485,405.00	-	24,485,405.00	24,485,405.00	24,485,405.00
Transfers and Subsidies	15,262,000.00	16,686,510.00	2,873,294.00	19,559,804.00	17,114,000.00	17,124,000.00

Remarks:

The total approved budget amounted to R452, 336, 805, this was increased during the 1st adjustment budget to R455, 230, 815. This has been increased by R6, 175, 818 to R461, 406, 633, the increase is caused by the following:

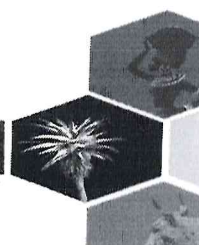
- ❖ R1,3 million reduction in contracted services.
- ❖ R993 thousand increase in employee related costs.
- ❖ R219 thousand increase in inventory consumed.
- ❖ R719 thousand increase in operating lease.
- ❖ R2,6 million increase in operational cost.
- ❖ R2,87 million increase in transfers and subsidies.

The following are the detailed movements per department for operating expenditure:

Office of the MM

FY	SegmentDesc	Original budget	Adjustment	Total adjustments
2025	Advertising fees 204300003	100,000.00	- 30,000.00	70,000.00
2025	Catering MM 204300035	15,000.00	- 15,000.00	-
2025	Conferences 204300055	148,000.00	- 10,000.00	138,000.00
2025	Consultant Professional Fees MM 204300059	240,000.00	- 150,000.00	90,000.00
2025	Conveyancing 204300201	260,000.00	670,000.00	930,000.00
2025	Membership fees MM 204300219	45,000.00	- 20,000.00	25,000.00
2025	Outsourced Services Internal Auditors 204370000	801,600.00	- 130,000.00	671,600.00
2025	Salaries 204200050	1,091,215.00	180,000.00	1,271,215.00
2025	SALGA FEES	2,250,000.00	128,000.00	2,378,000.00
2025	Strategic Annual Risk Assessment	350,000.00	- 50,000.00	300,000.00
2025	Strategic planning 204300319 accommodation	37,000.00	- 30,000.00	7,000.00
2025	Subsistence and Travelling accommodation MM 204300327	250,000.00	47,000.00	297,000.00
2025	Travel agency costs MM 204300327	90,000.00	- 30,000.00	60,000.00
2025	Legal fees	4,600,000.00	800,000.00	5,400,000.00

Remarks:



- ❖ The municipality disposed land in EmaXesibeni and during the midterm assessment it was noted that the budget for conveyancing will not be enough to fund expenditure as there will be transfer of properties to the new owners and an amount of R300 000 was added from the CRR, furthermore, due to the land invasion activities that are currently underway in EmaXesibeni, an amount of R800 000 was added into the legal fees budget to fund legal costs anticipated as the municipality is awaiting the Court order to demolish of illegal structures, this amount is also taken from the CRR.

Waste Management

FY	Segment	Original budget	Adjustments	Total adjustments
2025	RM Tools and Equipment 208400075	100,000.00	200,000.00	300,000.00
2025	Tree felling 208300133	400,000.00	- 100,000.00	300,000.00
2025	Greening Specis 208	660,000.00	- 111,000.00	549,000.00
2025	Refuse Bags Bins 208300295	1,000,000.00	250,000.00	1,250,000.00
2025	RM Vehicles and Plant 208400090	1,000,000.00	600,000.00	1,600,000.00
2025	Waste Management 208300133	1,100,000.00	- 250,000.00	850,000.00
2025	Fuel 208300139	1,200,000.00	- 100,000.00	1,100,000.00
2025	Food for waste	3,865,000.00	- 289,000.00	3,576,000.00
2025	Uniforms Protective Clothing 208300359	2,050,000.00	- 1,000,000.00	1,050,000.00
2025	RM Community Amenities 208400045	3,000,000.00	- 200,000.00	2,800,000.00
2025	Completion of fencing emaXesibeni Botanical gardens	-	500,000.00	500,000.00
2025	Completion of fencing at emaXesibeni landfill site	-	500,000.00	500,000.00

Remarks:

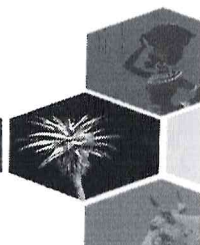
- ❖ The municipality started a project of fencing the botanical gardens in 2022/23 and the community of Dutyini stopped the project due to land claim dispute, the project was reported as a delayed project in the AFS and the dispute was resolved. The department is availing funds to complete the project with an amount or R500 000 from community amenities.

PUBLIC SAFETY

FY	Segment	Original budget	Adjustments	Total Adjustments
2025	Tools & equipment 209	190,000.00	50,000.00	240,000.00
2025	Police: EmaXesibeni Pound upgrading first phase	1,500,000.00	667,570.00	2,167,570.00
2025	Police: Construction of KwaBhaca vehicle pound facility	2,000,000.00	- 131,925.00	1,868,075.00
2025	Police: KwaBhaca Pound upgrading second phase	2,400,000.00	- 667,570.00	1,732,430.00
2025	Security Costs 209300299	27,000,000.00	- 315,300.00	26,684,700.00
2025	Subsistence and Travelling own transport 209300327	-	40,000.00	40,000.00
2025	HIV/AIDS Awareness Hire Charges 209300151	90,000.00	300,000.00	390,000.00
2025	Public Safety Awareness Campaigns 209300283	90,000.00	- 90,000.00	-
2025	Catering 209300035	100,000.00	60,625.00	160,625.00
2025	Subsistence and Travelling Car Rental 209300327	190,000.00	20,000.00	210,000.00
2025	Vehicle Branding 209	200,000.00	185,000.00	385,000.00
2025	Road Marking Materials 209300296	350,000.00	210,300.00	560,300.00
2025	Pound materials and supplies 209300271	400,000.00	30,000.00	430,000.00
2025	Equipment rental 209300099	430,000.00	- 430,000.00	-
2025	Travel agency cost traffic 209300327	-	71,300.00	71,300.00

Remarks:

- ❖ Procurement processes for EmaXesibeni pound have been finalised and it was noted that the appointed bidder offered an amount in excess of the available budget hence and additional amount of R667 000 added into the project and reduced from KwaBhaca pound budget.



- ❖ It was also noted that the painting on our internal streets is fading away hence an additional budget of R210 000 added to road markings budget and reduced from equipment rental.

SPECIAL PROGRAMMES UNIT

2025	Catering for Mandela Day 206300107	40,000.00	-	10,500.00	29,500.00
2025	Hiring costs for Heritage day 206300107	45,000.00	-	48,000.00	3,000.00
2025	16 Days of Activism 206300107	50,000.00	-	21,000.00	29,000.00
2025	Elderly Month 206300315	54,000.00	-	54,000.00	-
2025	Catering costs for Freedom day 206300107	54,000.00	-	54,000.00	-
2025	Catering Disability program 206300107	80,000.00	-	46,400.00	33,600.00
2025	Men's Summit 206300107	90,000.00	-	19,794.79	70,205.21
2025	Catering for Womens day 206300107	135,000.00	-	87,499.99	47,500.01
2025	Youth Subsidies 206300179 new	600,000.00		30,294.79	630,294.79
2025	Media Liaison radio TV/transmission 206300051	1,030,000.00		200,000.00	1,230,000.00
	Freedom Day Hire Charges			54,000.00	54,000.00
	Billboards RM			48,000.00	48,000.00

Remarks:

The additional funding for Council Support – SPU has been added as per the following:

Description	Amount
Accommodation	450,000.00
Flights	200,000.00
Vehicle Rental	100,000.00
Strategic Planning	250,000.00
Total	1,000,000.00

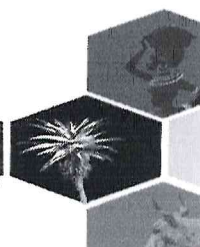
LOCAL ECONOMIC DEVELOPMENT

FY	SegmentDesc	TotalBudget	Adjustment	Total
2025	LED Projects 205700025	-	1,000,000.00	1,000,000.00
2025	Promotional Material LED Summit 205300107	50,000.00	-	50,000.00
2025	Ploughing costs Agrarian reform 205300005	5,900,000.00	2,457,000.00	8,357,000.00
2025	Catering Led Summit 205300107	200,000.00	-	200,000.00
2025	Donga Rehabilitation	490,000.00	-	330,000.00
2025	Intensive Vegetable Production	500,000.00	-	500,000.00
2025	Livestock Development Program	650,000.00	635,000.00	1,285,000.00
2025	RM LED PROJECTS	1,000,000.00	-	635,000.00
2025	Consultant Professional Fees 205300059	1,000,000.00	-	1,000,000.00
2025	Livestock Development Program		635,000.00	635,000.00
2025	Ntenetyana camp site	450,000.00	330,000.00	780,000.00
2025	Ntsizwa Hiking trail	1,000,000.00	4,100,000.00	5,100,000.00
2025	Fodder production	270,000.00	56,000.00	326,000.00
2025	SMME Development	3,248,000.00	200,000.00	3,448,000.00

Remarks:

The budget for ploughing costs was R5 900 000 and an additional amount of R2 457 000 is needed to fund the expenditure of which R500 000 was reduced from intensive vegetable production and R1 957 000 from the CRR.

Ntsizwa hiking trail was awarded with R5 100 000 against the R1000 000 and an amount of R4 100 000 is needed from the CRR.



Corporate services

2025	ICTPROGRAMMESsoftware 201700005	1,755,990.00	1,496,364.00	-	1,294,000.00
2025	Document management licence fees 201300085	384,000.00	4,000.00		504,000.00
2025	HRPortal	-	-		150,000.00
2025	Networking of Old Offices	-	-		790,000.00
2025	Cleaning Services	263,152.00	263,152.00	-	250,000.00
2025	Material Stores 201300207	443,502.00	42,614.65		250,000.00
2025	Jbb evaluation 201300191	23,396.00	23,396.00	-	23,000.00
2025	Academia Incentive	45,004.00	45,004.00	-	44,004.00
2025	RM Computer Network	350,004.00	312,564.00	-	200,000.00
2025	Equipment Rental 201300099	268,004.00	138,914.82		406,315.00
2025	Wellness 201300369	355,000.00	295,000.00	-	195,000.00
2025	Strategic Support and Induction 201300320	72,004.00	72,004.00	-	22,004.00
2025	PRINTING201300275	93,000.00	29,278.23		179,278.00
2025	Furniture equipment Corporate 201700002	420,000.00	420,000.00	-	200,000.00

Remarks:

An amount of R1 294 000 has been reduced from ICT programs to fund EDMS license fees as well as the network in Council chambers with R504 000 and R790 000 respectively.

There will be a policy conference to be held before the financial year end and upon assessing the budget, it has been noted that an additional budget amounting to R300 000 in relation to Conference and Accommodation as outlined in the table below;

Policy Conference budget

Segment	Amount
Accommodation	200,000.00
Conference	100,000.00
Total	300,000.00

Capital Budget by Department

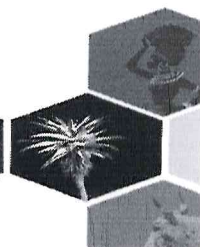
Budget and Treasury Office

Discription	Original Budget	Previous Adjusted Budget	Current Adjustment Budget	Final Budget
Budget and Treasury Office (BTO)	450,000.00	4,450,000.00	-	4,450,000.00
Own Revenue Funding	450,000.00	4,450,000.00	-	4,450,000.00
Computer Equipment 2007000	300,000.00	300,000.00	-	300,000.00
Furniture equipment Finance2	150,000.00	4,150,000.00	-	3,370,000.00
Motor Vehicle200700040	-	-	780,000.00	780,000.00

Remarks:

The total approved budget for Budget and Treasury Office amounted to R450, 000, this was increased during the 1st adjustment budget to R4, 450, 000. There has been an movement of R780, 000 due to the following:

- ❖ Budget and Treasury Office have R780 thousand adjustment, which is reduced from furniture and equipment segment to procure a Mayoral vehicle



Citizen and Community Services

Discription	Original Budget	Previous Adjusted Budget	Current Adjustment Budget	Final Budget
Citizen and community Services	26,989,992.00	27,239,992.00	918,075.00	28,158,067.00
Library Grant	100,000.00	350,000.00	-	350,000.00
Dutyini Library Contrete Slab	-	250,000.00	-	250,000.00
Library office Furniture	100,000.00	100,000.00	-	100,000.00
Municipal Infrastructure Grant	12,199,992.00	12,199,992.00	-	12,199,992.00
Gugwini Community Hall	3,099,996.00	3,099,996.00	-	3,099,996.00
Lower Cabazana Community Hall	3,000,000.00	3,000,000.00	-	3,000,000.00
Ntutha Community Hall	3,000,000.00	3,000,000.00	-	3,000,000.00
Spilini Community Hall	3,099,996.00	3,099,996.00	-	3,099,996.00
Own Revenue Funding	14,690,000.00	14,690,000.00	918,075.00	15,608,075.00
Fencing of Emaxesibeni landfill site	-	-	500,000.00	500,000.00
Machinery and equipment 208700036	500,000.00	500,000.00	-	500,000.00
Nature Reserves Fencing of emaxesibeni botanical gardens	-	-	500,000.00	500,000.00
Parks Construction of chithwa recreational park	4,000,000.00	4,000,000.00	-	4,000,000.00
Police: Construction of KwaBhaca vehicle pound facility	2,000,000.00	2,000,000.00	-	131,925.00
Police: EmaXesibeni Pound upgrading first phase	1,500,000.00	1,500,000.00	667,570.00	2,167,570.00
Police: KwaBhaca Pound upgrading second phase	2,400,000.00	2,400,000.00	667,570.00	1,732,430.00
Security equipment 209700023	100,000.00	100,000.00	-	100,000.00
Shooting range Construction	4,000,000.00	4,000,000.00	-	4,000,000.00
Tools & equipment 209	190,000.00	190,000.00	50,000.00	240,000.00

Remarks:

The total approved budget for Citizen and Community Services amounted to R26, 989, 992, this was increased during the 1st adjustment budget to R27, 239, 992. There has been an increase of R28, 158, 067 due to the following:

- ❖ R500 thousand to fencing of EmaXesibeni landfill site.
- ❖ R500 thousand to fencing of EmaXesibeni botanical garden
- ❖ R131 thousand from KwaBhaca Vehicle pound facility
- ❖ R667 thousand from EmaXesibeni Pound upgrade First Phase
- ❖ R667 thousand from KwaBhaca Pound upgrade second Phase
- ❖ R50 thousand to tools and equipment

Corporate Services

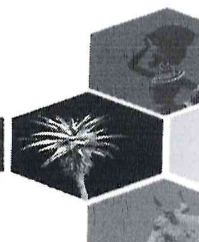
Discription	Original Budget	Previous Adjusted Budget	Current Adjustment Budget	Final Budget
Corporate Services	5,070,004.00	3,675,994.00	-	561,984.00
Own Revenue Funding	5,070,004.00	3,675,994.00	-	561,984.00
Computer equipment ICT201700000	1,500,000.00	1,500,000.00	-	1,500,000.00
Furniture equipment Corporate 201700002	420,000.00	420,000.00	-	200,000.00
ICT PROGRAMMES software 201700005	4.00	4.00	-	4.00
ICT PROGRAMMES software 201700005	3,150,000.00	1,755,990.00	-	361,984.00

Remarks:

The total approved budget for Corporate Services amounted to R5, 070, 004, this was decreased during the 1st adjustment budget to R3, 675, 994. There has been a further decrease of R561, 984 due to the following:

- ❖ R200 thousand from Office furniture
- ❖ R362 thousand from ICT Programmes Softwares

Infrastructure and Planning

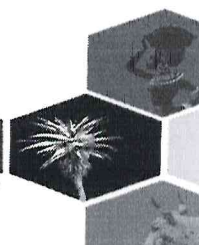


Discription	2024/2025			
	Original Budget	Previous Adjusted Budget	Current Adjustment Budget	Final Budget
Infrastructure and Planning	226,248,008.00	235,975,353.00	3,839,167.00	239,814,520.00
Human Settlement Housing Grant	111,000,000.00	111,000,000.00	-	111,000,000.00
Human Settlement Housing Project-Cabazana A&B	41,070,000.00	41,070,000.00	-	41,070,000.00
Human Settlement Housing Project-Cancele	5,550,000.00	5,550,000.00	-	5,550,000.00
Human Settlement Housing Project-Dundee	6,290,000.00	6,290,000.00	-	6,290,000.00
Human Settlement Housing Project-Nguse	13,875,000.00	13,875,000.00	-	13,875,000.00
Human Settlement Housing Project-Nkungwini	7,215,000.00	7,215,000.00	-	7,215,000.00
Human Settlement Housing Project-Nqalweni/Matyeni	12,950,000.00	12,950,000.00	-	12,950,000.00
Human Settlement Housing Project-Qadu	14,800,000.00	14,800,000.00	-	14,800,000.00
Human Settlement Housing Project-Xhameni	9,250,000.00	9,250,000.00	-	9,250,000.00
Municipal Disaster Recovery	26,848,000.00	36,575,345.00	202,000.00	36,777,345.00
Badibanise Internal Roads	3,500,000.00	3,500,000.00	-	3,500,000.00
Bonga AR	4,250,000.00	4,250,000.00	-	4,250,000.00
Gxaku Access Road	-	2,246,421.00	-	2,246,421.00
Lovu Access Road	2,848,000.00	2,848,000.00	1,048,000.00	1,800,000.00
Lubhacweni Access Road	-	313,490.00	-	313,490.00
Mhlozini AR& Bridge	4,500,000.00	4,500,000.00	-	4,500,000.00
Mqhokweni Bridge	-	6,427,764.00	-	6,427,764.00
NGCOZANA AR& BRIDGE	7,250,000.00	7,250,000.00	-	7,250,000.00
Sibhozweni AR& Bridge	2,500,000.00	2,500,000.00	-	2,500,000.00
Sirhoqobeni Slab	2,000,000.00	2,000,000.00	750,000.00	1,250,000.00
Sirhoqobeni sport facility	-	-	2,000,000.00	2,000,000.00
Tyirirha Bridge	-	739,670.00	-	739,670.00
Municipal Infrastructure Grant	42,000,008.00	42,000,008.00	-	42,000,008.00
Bhakaleni to Sekileni via Mqoma Access Road-MIG	8,100,000.00	8,100,000.00	-	8,100,000.00
Gugwini Community Hall	4.00	4.00	-	4.00
KwaBhaca High Masts	2,200,000.00	5,285,328.00	-	5,285,328.00
KwaBhaca Surfacing Phase 8	18,000,000.00	14,122,620.00	-	14,122,620.00
Mpunguleweni AR- 4.2 km virgin road with bridge	5,800,000.00	7,745,025.00	-	7,745,025.00
Mt White ARwith concrete slab	3,000,000.00	3,000,000.00	-	3,000,000.00
Spilini Community Hall	4.00	4.00	-	4.00
Tholeni ARnew	4,900,000.00	3,747,027.00	-	3,747,027.00
Own Revenue Funding	46,400,000.00	46,400,000.00	3,637,167.00	50,037,167.00
Centres: Completion of multi - Purpose Centre	-	-	549,329.00	549,329.00
Dungu ARMaintenance	-	-	500,000.00	500,000.00
Gubhuzi ARMaintenance	-	-	450,000.00	450,000.00
Installation of 25 Street lights	-	-	168,338.00	168,338.00
Installation of new streetlights at KwaBhaca	250,000.00	736,300.00	100,000.00	836,300.00
KwaNyathi to Mhambithi AR- New	2,800,000.00	2,800,000.00	300,000.00	2,500,000.00
Lusuthu ARMaintenance	2,800,000.00	2,800,000.00	1,600,000.00	1,200,000.00
Lutateni ARMaintenance	1,850,000.00	1,850,000.00	150,000.00	1,700,000.00
Magontsini ARMaintenance	1,900,000.00	1,900,000.00	310,000.00	1,590,000.00
Moodleni Bhibha via Cabazi ARMaint	2,400,000.00	2,400,000.00	200,000.00	2,200,000.00
Mnqwane ARMaintenance	1,800,000.00	1,800,000.00	190,000.00	1,610,000.00
Mnxekazi ARMaint	2,600,000.00	2,600,000.00	600,000.00	2,000,000.00
Municipal Offices	4,800,000.00	4,800,000.00	8,500,000.00	13,300,000.00
Mvakomzi ARMaintenance	1,700,000.00	1,700,000.00	19,500.00	1,719,500.00
Ncunteni ARMaint	2,200,000.00	2,200,000.00	200,000.00	2,000,000.00
New Street lights 30	1,800,000.00	1,313,700.00	300,000.00	1,013,700.00
Ngqini via Nxonga ARMaint	2,200,000.00	2,200,000.00	500,000.00	1,700,000.00
Nqalweni ARnew	1,700,000.00	1,700,000.00	100,000.00	1,600,000.00
Ntenetyana- Godola ARMaint	2,100,000.00	2,100,000.00	200,000.00	1,900,000.00
Nxashini ARMaintenance	1,800,000.00	1,800,000.00	200,000.00	1,600,000.00
Nyathini Bridge	2,400,000.00	2,400,000.00	250,000.00	2,150,000.00
SDA - Magwaca ARMaint	2,500,000.00	2,500,000.00	200,000.00	2,300,000.00
Skolweni ARMaintenance	2,600,000.00	2,600,000.00	1,350,000.00	1,250,000.00
Velem via Mthonjeni - Gamakhulu ARMaintenance	2,600,000.00	2,600,000.00	-	2,600,000.00
Zimbileni via Mntwana ARMaint	1,600,000.00	1,600,000.00	-	1,600,000.00

Remarks:

The total approved budget for Infrastructure and Planning amounted to R226, 248, 008, this was increased during the 1st adjustment budget to R235, 975, 353. There has been an increase of R3, 839, 167 as indicated on the above table.

There is an additional funds to complete Majojweni Link Line project since the infrastructure was installed but energizing was impossible because of the line linking 2 villages. An amount of R700 000 has been set aside to fund the expenditure to be incurred in the current year and the project will carry over to the next finacial year where the DMRE will fund the project through INEP.



6.4 Local Economic Development

Discription	Original Budget	Previous Adjusted Budget	Current Adjustment Budget	Final Budget
Local Economic Development	1,950,004.00	1,950,004.00	5,430,000.00	7,380,004.00
Own Revenue Funding	1,950,004.00	1,950,004.00	5,430,000.00	7,380,004.00
Construction of Auction pens	500,004.00	500,004.00	-	500,004.00
LED Projects 205700025	-	-	1,000,000.00	1,000,000.00
Ntenetyana camp site	450,000.00	450,000.00	330,000.00	780,000.00
Ntsizwa Hiking trail	1,000,000.00	1,000,000.00	4,100,000.00	5,100,000.00

Remarks:

The total approved budget for Local Economic Development to R1, 950, 004, the was no movement during the 1st adjustment budget. There has been an increase of R5, 430, 000 as results of the following:

- ❖ An amount of R1m has been allocated to Lugangeni feedlot;
- ❖ Ntenetyana camp site, an increase of R330, 000 from R450, 000 to R780 000 as a result of an awarded amount being more than the available budget.
- ❖ An increase of R4, 100, 000 from R1, 000, 000 for Ntsizwa Hiking Trail as a result of the appointed bidder more than what was initially budgeted for.

Provincial Treasury Assessment:

- **The Municipality submitted the adjusted budget to Provincial Treasury for funding assessment and a downwards adjustment was recommended in order for the municipality to adopt a funded budget as per the table below.**

Capital Expenditure

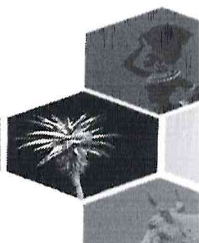
Segment Desc	Total Working	Original	Total Budget	Budget Cut	Revised Adjusted Budget
Municipal Offices	8,500,000.00	4,800,000.00	13,300,000.00	- 6,500,000.00	6,800,000.00
Ntsizwa Hiking trail	4,100,000.00	1,000,000.00	5,100,000.00	- 3,100,000.00	2,000,000.00
Parks Construction of chithwa recreational park	-	4,000,000.00	4,000,000.00	- 2,000,000.00	2,000,000.00
Shooting range Construction	-	4,000,000.00	4,000,000.00	- 3,800,000.00	200,000.00
Furniture equipment Finance 200700002	- 780,000.00	150,000.00	3,370,000.00	- 3,000,000.00	370,000.00
Velem via Mthonjeni - Gamakhulu ARMaintenance	-	2,600,000.00	2,600,000.00	- 600,000.00	2,000,000.00
Zimbeleni via Mntwana ARMaint	-	1,600,000.00	1,600,000.00	- 500,000.00	1,100,000.00
LED Projects 205700025	1,000,000.00	-	1,000,000.00	- 500,000.00	500,000.00

Operational expenditure

Segment Desc	Total Working Budget	Original	Total Budget	Budget Cut	Revised budget
Debt Collector		7,060,000.00	7,060,000.00	- 5,000,000.00	2,060,000.00
Total		7,060,000.00	7,060,000.00	- 5,000,000.00	2,060,000.00

TOTAL ADJUSTMENT BUDGET 2024/2025 MTERF

Description	Total Approved Budget 2024/2025	Amendment	Total Adjustment Budget	Budget +2025/2026	Budget +2026/2027
Operating Budget	R479 362 335	R21 170 818	R500 533 153	R477 631 409	R484 862 409
Capital Budget	R273 596 343	-20 000 000	R253 596 343	R111 790 000	R95 191 000
Total Budget	R752 958 678	R1 170 818	R754 129 496	R589 421 409	R580 053 409



OVERVIEW OF BUDGET RELATED POLICIES AND BUDGET ASSUMPTIONS

Budget Related Policies

There are no changes on the budget related policies that have been proposed on the adjustments budget.

Budget Assumptions

There are no changes to the budget assumptions proposed on the adjustments budget

Tariffs

There are no changes to the approved tariffs on the adjustments budget

Budget Funding

The adjustments budget is cash – funded which is an indicator of a “credible” budget. Funding levels are acceptable (inclusive of the Reserve balances), which is remarkable in these economic times, and is sufficient to cover all requirements of the funding and reserves policy.

Annexures

“A” – MFMA Budget Circular

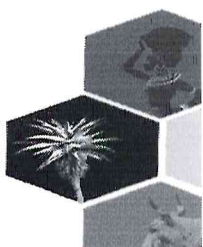
“B” – Detailed Capital Budget Schedule

“C” – Detailed Operating Budget Schedule

It was thereafter with Councillor N B Mdingi and Councillor V P Gogela proposing and seconding respectively.

RESOLVED

1. That, the second adjustments budget, inclusive of changes in terms of section 28 of the MFMA for Umzimvubu Local Municipality for the financial year 2024/2025; and indicative for the two projected years 2025/2026 and 2026/2026, as set-out in the schedules, be noted and approved by Council;
2. That, the Council notes and approves that operating revenue has increase by R18,900,678 from R606,036,555 to R624, 937, 233;
3. That, the Council notes and approves the increase of R6,170,818 on adjusted operating expenditure budget from R455,23,815 to R461, 401, 633;
4. That, the Council notes and approves the decrease of R20 000 000 on adjusted capital budget of from R273 596 343 to R253 596 343
5. That, the Council notes and approves that contribution from capital replacement reserve (CRR) has increase by R9,423,258 from the first adjustment budget contribution of R71,470,994 to R80,894,252 as break down as follows:
 - a) For LED department R2 330 000 which is R2,000,000 for Ntsizwa Hiking Trail, R330,000 for Ntenenyana dam camp site.
 - b) For Infrastructure R2 000 000 for municipal offices to be added on top of the R4 800 000 budget for the current year.




- c) Citizen and community services R356,091 for fencing of Emaxesibeni landfill site.
6. That, the Council notes and approves that there is no additional capital funding for other funding sources.
 7. That, the Council notes and approves the total budget of R783, 759, 754
 8. That, the Council notes that there are no changes in the budget assumptions and budget related policies.
 9. That, the Council notes that there are no changes on the tariffs as previously approved.

This was carried unanimously,

COUNCIL 040/2024/2025

NB: These Ordinary Council minutes are subject to confirmation by the Council on its next Ordinary Council Meeting scheduled for 26th of March 2025.

THIS IS CERTIFIED AS A TRUE REFLECTION AND EXACT EXTRACT FROM THE MINUTES OF THE ORDINARY COUNCIL MEETING HELD AT KWABHACA MUNICIPAL CONFERENCE BOARDROOM, THURSDAY, THE 27 OF FEBRUARY 2025 AT 10H25.



MUNICIPAL MANAGER
MR G.P.T. NOTA

26/03/2025
DATE

